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INVESTIGATION OF IMPROPER ACTIVITIES IN THE
LABOR OR MANAGEMENT FIELD

HEARINGS
BEFORE THE
SELECT COMMITTEE
ON IMPROPER ACTIVITIES IN THE
LABOR OR MANAGEMENT FIELD
EIGHTY-FIFTH CONGRESS
FIRST SESSION

PURSUANT TO SENATE RESOLUTION 74, 85TH CONGRESS

MARCH 19, 20, 21, AND 22, 1957

PART 4

Printed for the use of the Select Committee on Improper Activities in the
Labor or Management Field



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INVESTIGATION OF IMPROPER ACTIVITIES IN THE LABOR OR MANAGEMENT FIELD

TUESDAY, MARCH 19, 1957

UNITED STATES SENATE,
SELECT COMMITTEE ON IMPROPER ACTIVITIES
IN THE LABOR OR MANAGEMENT FIELD,
Washington, D. C.

The Select Committee met at 10 a. m., pursuant to Senate Resolution 74, agreed to January 30, 1957, in the caucus room, Senate Office Building, Senator John L. McLellan (chairman of the select Committee) presiding.

Present: Senator John L. McClellan, Democrat, Arkansas; Senator Irving M. Ives, Republican, New York; Senator John F. Kennedy, Democrat, Massachusetts; Senator Sam J. Ervin, Jr., Democrat, North Carolina; Senator Pat McNamara, Democrat, Michigan; Senator Joseph R. McCarthy, Republican, Wisconsin; Senator Karl E. Mundt, Republican, South Dakota; Senator Barry Goldwater, Republican, Arizona;

Also present: Robert F. Kennedy, chief counsel to the Select Committee; Jerome Adelman, assistant counsel; Carmine S. Bellino, accounting consultant; Pierre Salinger, investigator; Alphonse F. Calabrese, investigator; Ruth Young Watt, chief clerk.

The CHAIRMAN. The committee will be in order.

(Present at the convening of the hearing were Senators McClellan, Ives and Ervin.)

The CHAIRMAN. We will resume the public hearings in this inquiry and we will immediately proceed to further interrogation of the witness, Mr. Frank Brewster.

Will you come around, Mr. Brewster?

**TESTIMONY OF FRANK W. BREWSTER, ACCOMPANIED BY HIS
COUNSEL, JERRY N. GRIFFIN AND JOHN K. PICKENS—Resumed**

The CHAIRMAN. All right, Mr. Kennedy.

Gentlemen, under the rules we are not to snap pictures of the witness while he is testifying. That order of the committee will be observed.

Mr. KENNEDY. Mr. Brewster, when you were here before we were talking about Mr. Mel Eisen. How long has Mel Eisen worked for you?

Mr. BREWSTER. In what capacity?

Mr. KENNEDY. Well, in what capacity does he work for you now privately?

Mr. BREWSTER. He isn't working at all for me at the present time.

Mr. KENNEDY. In what capacity did he used to work for you?

Mr. BREWSTER. He worked as a trainer and after that he worked as an organizer in Los Angeles.

Mr. KENNEDY. He was hired by the teamsters as an organizer?

Mr. BREWSTER. Yes.

Mr. KENNEDY. What experience had he had prior to that time that you would hire him as an organizer for the teamsters.

Mr. BREWSTER. The experience that he had that I felt that I would use him in was the experience that he acquired on the racetrack, to organize the people involved in labor at the racetrack.

Also, I believe that he had an intelligence very much beyond the average and he is a young man, and I thought that he would develop into a very good organizer.

Mr. KENNEDY. You did not feel that you had people in the teamster organization already that were entitled to the position of organizer rather than somebody who was a racehorse trainer?

Mr. BREWSTER. I have always tried to take people from the ranks if it is possible. I have also gone on the outside for a special line of people.

Mr. KENNEDY. And you thought his special qualifications were that he had been around the racetrack so much?

Mr. BREWSTER. He had the experience of the people that were employed by the racetrack.

Mr. KENNEDY. Is that where he is working now, as an organizer at the racetrack?

Mr. BREWSTER. No, he is not. At the present time—

Mr. KENNEDY. Has he been working there as an organizer?

Mr. BREWSTER. He has some of the time and some of the time he has been working out organizing generally with other organizers that go out in groups of 2 or 3.

Mr. KENNEDY. What sort of employees were you attempting to organize at the racetrack?

Mr. BREWSTER. Everyone that works on gates and barn areas. We have a petition now in the western part of the country of around 350 grooms that want to be organized.

Mr. KENNEDY. Some of the grooms?

Mr. BREWSTER. Yes, sir.

Mr. KENNEDY. Has he been working on that, trying to organize the grooms?

Mr. BREWSTER. He has been consulting grooms, yes, and hearing their story.

Mr. KENNEDY. Has he been trying to organize the grooms?

Mr. BREWSTER. Not to the standpoint of organizing the grooms. The grooms have come to us. I am making a study before I go into the category of organizing the grooms. I might explain that here some time ago, and I do not know how many years, but we made an attempt to organize the grooms and it fell flat.

I am very skeptical on going back into organizing them again. I want the information before I go in that they desire organization themselves before we attempt to organize them.

The CHAIRMAN. Mr. Brewster, when did you first employ this man Mel Eisen as a trainer for you?

Mr. BREWSTER. It is some 3 or 4 years ago, and I do not know the exact date, Senator.

The CHAIRMAN. How long did he work for you as a trainer?

Mr. BREWSTER. For practically most of the time during that period of time. The latter part of it he left and went training for someone else.

The CHAIRMAN. He has been one of your trainers for the last 3 or 4 years?

Mr. BREWSTER. I would believe so. I am not positive about the time. I have not checked.

The CHAIRMAN. Well, that is your best judgment?

Mr. BREWSTER. To the best of my knowledge, yes, sir.

The CHAIRMAN. The last 3 or 4 years?

Mr. BREWSTER. Yes, sir.

The CHAIRMAN. When did he leave your employ?

Mr. BREWSTER. To the best of my recollection, possibly 6 months before I put him on as organizer.

The CHAIRMAN. Before you put him on as an organizer?

Mr. BREWSTER. Yes, sir.

The CHAIRMAN. That is not very clear. When did you put him on as an organizer?

Mr. BREWSTER. Well, I would say about between 8 and 10 and 11 months ago.

The CHAIRMAN. 8 to 11 months ago?

Mr. BREWSTER. 8 to 11 months, somewhere in there.

The CHAIRMAN. Prior to that time he had been in your employ exclusively?

Mr. BREWSTER. No.

The CHAIRMAN. Well, as related to the union, he was not in the union's employ at any time prior to 8 or 11 months ago?

Mr. BREWSTER. Other than information that I would want to get from him, relative to the rumors and conditions that I had heard around the racetrack.

The CHAIRMAN. What were those rumors and conditions that interested you?

Mr. BREWSTER. Rumors were in regard to trying to build up a better organization in the parking lot attendants, such as the seniority that they had. It was not written out to the degree that it should be. I think that every day maybe 2 or 3 times a day, some of these people talked to Mel Eisen and Mel in return would talk to me.

The CHAIRMAN. Did you have him employed by the union for that purpose?

Mr. BREWSTER. Not when he was there, but it was natural that they would go to him because probably he would convey the information to me.

The CHAIRMAN. You can help strighten this out right quick. I want to know when he was first employed and how long he remained in your personal employ before he became connected in any way with the union.

Mr. BREWSTER. Well, I said to the best of my knowledge, around 3 to 4 years.

The CHAIRMAN. He continued then in your private employ until 8 or 11 months ago?

Mr. BREWSTER. In there some place.

The CHAIRMAN. Sir?

Mr. BREWSTER. That is roughly the time, yes.

The CHAIRMAN. Prior to that time, prior to 8 to 11 months ago, he was not paid and earned no salary or compensation from the union?

Mr. BREWSTER. That's right.

The CHAIRMAN. Now, since then, has he earned compensation both from you and the union?

Mr. BREWSTER. No, not from me.

The CHAIRMAN. He was on the union's payroll, was he?

Mr. BREWSTER. Yes, sir.

The CHAIRMAN. For how long a period of time? You say he is not on there now?

Mr. BREWSTER. No, I said that I believe between 8 and 11 months, Senator.

The CHAIRMAN. When did he leave the union's employ?

Mr. BREWSTER. About 3 to 4 weeks ago.

The CHAIRMAN. He left about a month ago, then?

Mr. BREWSTER. Roughly speaking, yes, sir.

The CHAIRMAN. What was his salary with the union?

Mr. BREWSTER. \$150 a week.

The CHAIRMAN. \$150 per week?

Mr. BREWSTER. Yes, sir. I think that was his salary.

The CHAIRMAN. Plus expenses?

Mr. BREWSTER. Yes, sir.

The CHAIRMAN. Did he do any organizing?

Mr. BREWSTER. While he was with the union, absolutely, he did.

The CHAIRMAN. Where did he organize?

Mr. BREWSTER. He organized out of our offices in Los Angeles, as general organizer.

The CHAIRMAN. Can you point to any place that he organized, where he got results?

Mr. BREWSTER. I have a director of that organizing campaign down there and he reports to him. I questioned him from time to time of how Mel Eisen was doing as an organizer and the reports were very favorable.

The CHAIRMAN. I think that we can get this clear. Up to, say, 8 to 11 months ago, he earned no compensation for salary from the union?

Mr. BREWSTER. That is right.

The CHAIRMAN. And, therefore, the union should not have paid him any money during that time. It owed him nothing and he was rendering no service to the union prior to that time, is that correct?

Mr. BREWSTER. He did serve for the union.

The CHAIRMAN. You told me he was in your private employ.

Mr. BREWSTER. Yes, but I did say that he gave the information that was given him and he talked to me and I had him talk to people on the racetrack and I also said that——

The CHAIRMAN. You could have him do that, working for you, could you not?

Mr. BREWSTER. Well, it was union work.

The CHAIRMAN. Any conversation you have about union may be union work, but are you trying to say now that during the time he was employed by you, and in your employment as a trainer of your horses, that he also did union work and the union owed him money for it?

Mr. BREWSTER. I don't say the union owed him money for it. I said he did union work.

Mr. KENNEDY. Now, while he was employed by you as a trainer, Mr. Brewster, he was in several instances traveling at the union expense, is that right?

Mr. BREWSTER. I don't recall. You say, "several" and I don't recall several times.

Mr. KENNEDY. Do you think it is possible that it was several times that he was traveling at union expense?

Mr. GRIFFIN. Mr. Chairman, could we have that light off up there, please, sir?

The CHAIRMAN. Turn off the light.

Mr. BREWSTER. Will you repeat the question?

Mr. KENNEDY. Do you think it is possible that there were several times that he traveled at union expense?

Mr. BREWSTER. I don't think several times, no.

Mr. KENNEDY. Have you inquired into the matter at all since you appeared here the last time to find out how many times he traveled at union expense?

Mr. BREWSTER. No, sir, I haven't. I haven't had the opportunity.

Mr. KENNEDY. Is he known by any other name, other than Mel Eisen? Does he have a nickname?

Mr. BREWSTER. I have never heard of one.

Mr. KENNEDY. He does not have the name of "Bobby Eisen"?

Mr. BREWSTER. I don't know. He could have been Bobby, and I never remembered.

Mr. KENNEDY. Do you know Bobby Eisen?

Mr. BREWSTER. I know Bobby Eisen, yes, sir.

Mr. KENNEDY. That is his son?

Mr. BREWSTER. Yes, sir.

Mr. KENNEDY. Does Mel Eisen's son also travel at union expense?

Mr. BREWSTER. I don't remember.

Mr. KENNEDY. Here we have a voucher showing a trip from Los Angeles to San Francisco and back to Los Angeles at a cost to the union of \$46.09 for Bobby Eisen as an employee of the union. Was he an employee of the Western Conference of Teamsters?

Mr. BREWSTER. He was not. Can I see it, please?

Mr. KENNEDY. Yes.

(A document was handed to the witness.)

(At this point in the proceedings Senators Mundt and Goldwater entered the hearing room.)

Mr. KENNEDY. Could you give us any explanation of that?

Mr. BREWSTER. I cannot until I check on it further when I go back into Seattle.

Mr. KENNEDY. You have no explanation as to why?

Mr. BREWSTER. Not at the present time, but I will have and I will explain it then.

Mr. KENNEDY. Was it a procedure that you followed to allow Mr. Eisen's family to ride at union expense?

Mr. BREWSTER. It was not.

Mr. KENNEDY. Here is another trip for Mr. Bobby Eisen. This is from San Francisco to Los Angeles to Modesto. Did Mr. Eisen not live in Modesto? Did he not have a house or a home there?

Mr. BREWSTER. Not that I know of.

Mr. KENNEDY. Near Modesto?

Mr. BREWSTER. Not that I know of.

Mr. KENNEDY. Well, it is a trip from San Francisco to Los Angeles to Modesto to San Francisco, United Air Lines, at a cost to the union members' dues of \$55.22 for Bobby Eisen.

The CHAIRMAN. The first photostatic copy of the records of the Northwest Airlines that the witness identified will be made exhibit No. 66. This one that he is now examining, if he identifies it——

Mr. BREWSTER. Was that for Northwest or United Air Lines?

The CHAIRMAN. This one is Northwest, in the amount of \$46.09.

Mr. BREWSTER. The only reason I think there must be some error there, the Northwest does not fly from San Francisco to Los Angeles.

The CHAIRMAN. One is Northwest Airlines and the other is United Air Lines. The one I referred to, United Air Lines, \$46.09. The other item has nothing to do with the matter under inquiry.

The Chair was mistaken and I looked at the top of the photostatic copy instead of the bottom. This bottom one, United Air Lines, Inc., in the amount of \$46.09 is made exhibit No. 66.

(The document referred to was marked "Exhibit No. 66" for reference and will be found in the appendix on p. 1383.)

The CHAIRMAN. Will you identify the document that you have in your hand?

Mr. BREWSTER. Identify it?

The CHAIRMAN. What is it?

Mr. BREWSTER. It is a signature of a cardholder.

The CHAIRMAN. A signature of what?

Mr. BREWSTER. A cardholder, airline cardholder, one John J. Sweeney, and the name of the user, other than the cardholder, is Bobby Eisen and it is ticket number and form number and so on from San Francisco to—I don't know what this is—I can't make it out—it is Los Angeles to Modesto, to San Francisco, and I don't know how you can fly that way. Modesto is right outside of San Francisco.

Mr. KENNEDY. Do you have any explanation of the fact that the union was paying for that?

Mr. BREWSTER. I haven't any. It was signed by John J. Sweeney, and not by myself.

The CHAIRMAN. What is the amount of it?

Mr. BREWSTER. Let me see that again, please. It is \$55.22.

The CHAIRMAN. You say it is signed by John J. Sweeney?

Mr. BREWSTER. Yes, sir.

The CHAIRMAN. Who was he at that time?

Mr. BREWSTER. At that time he was secretary-treasurer of the Western Conference of Teamsters.

The CHAIRMAN. All right, proceed. That will be made exhibit No. 67.

(The document referred to was marked "Exhibit No. 67" for reference and will be found in the appendix on p. 1384-1385.)

Mr. KENNEDY. Here is another ticket from Seattle to Los Angeles, to Seattle, and another ticket from Los Angeles to Seattle for Bobby Eisen and Brewster, a total of \$205.98.

The CHAIRMAN. That will be exhibited to the witness.

Mr. KENNEDY. And another ticket from Los Angeles to Seattle for Cavallero, for Richard Cavallero, and he was whom? Can you identify him?

Mr. BREWSTER. Yes, sir. Richard Cavallero was a jockey that I had for a short period of time.

Mr. KENNEDY. That was for a total of \$71.01.

The CHAIRMAN. Present the document to the witness and let him examine it.

(A document was handed to the witness.)

Mr. KENNEDY. That ticket was purchased through your secretary, was it not, Miss Prasch?

Mr. BREWSTER. She has signed the order.

Mr. KENNEDY. Did you instruct her to do so?

Mr. BREWSTER. I can't tell one. I guess it is very faint.

Mr. KENNEDY. Did you instruct your secretary, Miss Prasch, to do so?

Mr. BREWSTER. I don't remember instructing her; no.

Mr. KENNEDY. Would she have done it without your instructions?

Mr. BREWSTER. I don't think she would have done it without the instructions of myself or John Sweeney.

Mr. KENNEDY. John Sweeney is deceased now, is he not?

Mr. BREWSTER. He is.

The CHAIRMAN. Will you identify it and what is the document before you, so I can get it in the record.

Mr. BREWSTER. Well, the document is two orders, it looks like. It is on the same order but two distinct tickets, and there is no flight number or anything on them. It could have been that they came out on the same order and it could have been different days that the flight was on. I don't remember traveling with B. Eisen at any time, it could be for. And the other one was the one that I think that I explained the other day, that they had trouble getting out and I instructed Rita Prasch at that time to get the ticket and I was going to compensate the organization.

The CHAIRMAN. What is the amount of the two tickets?

Mr. BREWSTER. One ticket is \$205.98, but there is an amount of about \$134.97 that is my personal trip out of the \$205.98. The other one is \$71.01 and both of them are signed by Rita Prasch, it looks like, and the one is very faint.

The CHAIRMAN. All of that money came out of union dues?

Mr. BREWSTER. All of that money I presume came out of the Western Conference of Teamsters.

The CHAIRMAN. That is union dues, is it not?

Mr. BREWSTER. Indirectly, yes.

The CHAIRMAN. That may be made exhibit No. 68.

(The document referred to was marked "Exhibit No. 68" for reference and will be found in the appendix on p. 1336-1337.)

Mr. KENNEDY. I see on there that there is a name, Grinstein. Who is Mr. Grinstein?

Mr. BREWSTER. Mr. Grinstein is a doctor in the city of Seattle.

Mr. KENNEDY. Is he Mr. Beck's physician?

Mr. BREWSTER. I believe he is.

Mr. KENNEDY. For what reason would the teamsters be paying the transportation of Dr. Grinstein for \$90.97?

Mr. BREWSTER. At one time Mr. Grinstein was the physician that was the adviser on our health and welfare. He sometimes attended the western conference and sometimes he attended the policy meetings.

Mr. KENNEDY. At union expense?

Mr. BREWSTER. Yes; if he was asked to come down to explain that. Can I explain a little further on that activity, please?

We were having some trouble with a certain few doctors, and not too many, on overcharges and so forth. We were trying to work out some formula, something to get the doctors to have something in the way of a set amount or as close as they possibly could to the regular operations that we have. And, also, we were trying to figure out when and if we might have been overcharged on account of the organization, taking advantage of the organization itself.

When this first went into effect, Mr. Grinstein or Dr. Grinstein sat at different times with our organization and we asked him for professional advice in order to set up the benefits and the amount of money that would be paid for benefits, such as office calls, home calls, and so on, and also, the amount that he felt would be right for many operations that would be performed that were very common in the Teamsters organization with their wives and families and children.

We derived at some figure through his advice. That is, at those times, or most of those times, that we had him. We haven't used him and in fact for the last roughly 2 years or 18 months, I don't believe we have used him or consulted him at all.

I do remember cases where we felt there were exorbitant charges and we had him check with the other doctor and at different times we were able to reduce the amount of the bill. That was his play, and it might possibly and I don't know whether it was or whether it wasn't or who at that time ordered him to get the ticket and I don't remember it myself, but it could have been.

Mr. KENNEDY. You had a doctor down in Los Angeles anyway, and this is a ticket down to Los Angeles. You had a physician down there, did you not?

Mr. BREWSTER. Not that was conversant with the health and welfare; no, sir.

Mr. KENNEDY. Now, to go back to Mr. Mel Eisen, did the Western Conference of Teamsters pay any of the hotel bills for Mel Eisen when he was attending any of the horse race meetings?

Mr. BREWSTER. I don't remember any.

Mr. KENNEDY. When he was acting in the capacity of a trainer for you, was the union on any occasion paying his hotel bills?

Mr. BREWSTER. I don't remember of any.

Mr. KENNEDY. You do not remember that at all?

Mr. BREWSTER. I don't.

Mr. KENNEDY. You have no recollection of it?

Mr. BREWSTER. No recollection.

Mr. KENNEDY. I want to show you the registration.

The CHAIRMAN. The Chair presents to the witness a document, a photostatic copy of what purports to be a hotel registration and I will ask you to examine it.

(A document was handed to the witness.)

The CHAIRMAN. Will you see if you identify it?

Mr. BREWSTER. Mr. Chairman, this document has no registration of where it was.

Mr. KENNEDY. That came out of the paid bills of the Western Conference of Teamsters.

The CHAIRMAN. It is from the teamsters files as the Chair understands. Can you explain it?

Mr. BREWSTER. No, sir; I cannot. I don't remember the transaction at all.

The CHAIRMAN. What does it show was paid out to this man by the teamsters?

Mr. BREWSTER. It looks like it is—I don't see any amounts on it. There is a total here of \$37.25.

Mr. KENNEDY. I think that is for the telephone bill. But let me ask you this: Did you pay or did the Western Conference of Teamsters, or do you have any knowledge of the Western Conference of Teamsters paying the hotel bill at the El Rancho Motel of Mr. Mel Eisen and Mr. Richard Cavallero?

Mr. BREWSTER. I do not.

Mr. KENNEDY. You have no knowledge about that at all?

Mr. BREWSTER. No, sir.

Mr. KENNEDY. We have an affidavit here, Mr. Chairman, from the partner in the ownership of the El Rancho Motel in Millbrae, Calif.

The CHAIRMAN. The Chair will read this affidavit to you, Mr. Brewster, for any comment you care to make.

STATE OF CALIFORNIA

County of San Mateo, ss:

I, Earl Wilms, make the following statement of my free will and with no promise of immunity. That I am a partner in the ownership of the El Rancho Motel in Millbrae, Calif., and that I reside at that motel.

I have examined the records of the motel and found registration cards in the names of Frank W. Brewster, Richard Cavallaro, and Mr. and Mrs. Mel Eisen. In the case of Brewster, I received checks from teamster organizations in connection with his stays.

There appears on the records of this motel the notation that a check for \$750 was cashed on October 3, 1954, and that \$397 of this check went for payment of the bill of Richard Cavallaro and the remaining \$353 was given to Mel Eisen.

I okayed the cashing of that check and to the best of my knowledge it was a check written by the teamsters' union. I have also examined the records of this motel and found that Terry McNulty was a guest here in September of 1955.

(Signed) EARL WILMS.

Subscribed and sworn before me this 12th day of March 1957.

[SEAL]

ISOBEL SMART.

In and for the County of San Mateo. My commission expires: November 26,, 1960.

All right, Mr. Counsel, you may proceed.

Mr. GRIFFIN. Could the witness look at the affidavit? Because I think the affidavit is really confusing.

The CHAIRMAN. We are trying to get some things unconfused if we can.

(The affidavit was handed to the witness.)

(At this point in the proceedings, Senator McNamara entered the hearing room.)

(The documents referred to in the affidavit were subsequently introduced as exhibits 89A through 89D and will be found on pp. 1436-1442 of the appendix.)

Mr. BREWSTER. I don't remember the transaction, but I am going to check on it and the gentleman who made out the affidavit and so forth, so that he can probably refresh my memory.

Mr. KENNEDY. Who, besides you, would order \$750 sent down to the El Rancho Motel to pay for your trainer and your jockey?

Mr. BREWSTER. I stayed there myself.

Mr. KENNEDY. Could you give us an explanation as to why that was done?

Mr. BREWSTER. I can't at the present time until I go into it thoroughly. I haven't had an opportunity to examine it or even talk to the man. Everybody has an opportunity but myself to talk to these witnesses.

Mr. KENNEDY. Here it says that \$353 in cash was given to Mel Eisen. Can you explain that?

Mr. BREWSTER. No, I cannot.

Mr. KENNEDY. You have no explanation for it whatsoever?

Mr. BREWSTER. No, I cannot. I don't know whether I did. He says I did and I want to find out so that I can see whether I did. I don't remember.

Mr. KENNEDY. Do you remember at all paying the hotel bills of your jockey and your trainer? You do not have any recollection of that?

Mr. BREWSTER. I remember paying bills in there, because I used to stay there frequently. How to desegregate them, I don't know.

Mr. KENNEDY. Going through your books, the Western Conference of Teamsters, this \$750 is charged to officer and delegates expenses and allowance. Can you explain that?

Mr. BREWSTER. No, I cannot.

Mr. KENNEDY. Was Mel Eisen, your trainer, or Cavallero, your jockey, were they officers or delegates?

Mr. BREWSTER. They were not.

Mr. KENNEDY. Why would it be charged on your books as officers and delegates?

Mr. BREWSTER. That I don't know. I haven't had a chance to check myself.

The CHAIRMAN. Well, Mr. Brewster, I think in all fairness we should again let the record show that you were given an opportunity to discuss with the staff these records and documents before you took the witness stand.

I believe you declined to discuss these matters with the staff; is that not correct?

Mr. BREWSTER. That wasn't exactly correct. I don't know whether people have had a lot of experience with the staff, but the staff can do a pretty good job of getting you confused and you haven't an opportunity——

The CHAIRMAN. I do not think they have to work at it very hard. You seem to be confused now. The point I am making is that when you say you have had no chance, you have had a chance to talk to the staff about these records, have you not, and you declined? That is correct, is it not?

Mr. BREWSTER. I wanted to explain it but I don't think that I have an opportunity.

The CHAIRMAN. All right, explain.

Mr. BREWSTER. I just say it is impossible for the staff to come in for 2 hours and say, "Where were you on August 4, 1954, or 1951, or something else?" And have me have a chance to go ahead and find out all of the things they wanted. And I felt, also by advice of my attorney, that I should not talk to the staff.

The CHAIRMAN. All right. That settles it; you did not talk with them.

Proceed, Mr. Counsel.

Mr. KENNEDY. We have a check here to the El Rancho Motel, dated September 29, 1954, in the amount of \$750 and it is signed by Frank W. Brewster, president, John J. Sweeney, secretary-treasurer of the Western Conference of Teamsters.

The CHAIRMAN. Present this document to the witness and see if he can identify it.

(A document was handed to the witness.)

Mr. BREWSTER. Yes, I can identify it.

The CHAIRMAN. What is it?

Mr. BREWSTER. The El Rancho Motel.

The CHAIRMAN. It is a photostatic copy of a check; is it not?

Mr. BREWSTER. Yes, of a check. It is signed by myself and John Sweeney.

The CHAIRMAN. Who is it payable to?

Mr. BREWSTER. The El Rancho.

The CHAIRMAN. El Rancho Motel?

Mr. BREWSTER. \$750, yes.

The CHAIRMAN. Was that union business?

Mr. BREWSTER. I can't recall whether it was or not.

The CHAIRMAN. You do not even know whether it was your personal account or for your trainers, or whether it was union business?

Mr. BREWSTER. I do not at the present time, no, sir.

The CHAIRMAN. How in the world, Mr. Brewster, are you going to make an audit and pay back what you owe if you do not know? You cannot recognize these things. How are you ever going to pay it back?

Mr. BREWSTER. I believe that I will do a pretty good job, if I am given an opportunity.

The CHAIRMAN. Well, the committee is certainly not interfering with you repaying any amount that you owe.

Mr. BREWSTER. I would like to be in a position where I could send the committee a report of what I do, when I get a chance to get out of here and try and do it.

The CHAIRMAN. The committee will be very glad to receive it.

That may be made exhibit No. 69, that check.

Mr. KENNEDY. These are both documents showing Mr. Cavallero and Mel Eisen to be registered at the El Rancho Motel.

The CHAIRMAN. I want the check made exhibit No. 69. That has been identified.

(The document referred to was marked "Exhibit No. 69" for reference and will be found in the appendix on p. 1388.)

The CHAIRMAN. You will have to place somebody else on the stand to swear to these.

Mr. KENNEDY. Now, the El Rancho Motel, as I understand it, Mr. Brewster, is about 4 miles from the Bay Meadows Racetrack and about 2 miles from the Tanforan Racetrack: is that correct? Is that approximately correct?

Mr. BREWSTER. I never measured it, but I will take your word for it.

Mr. KENNEDY. Was there organizational work going on at the El Rancho?

Mr. BREWSTER. There was at both racetracks.

Mr. KENNEDY. We will go back to the fact—was Richard Cavallero or Mel Eisen working for the teamsters union during this period of time, September and October of 1954?

Mr. BREWSTER. Not on the payroll of the Western Conference.

Mr. KENNEDY. But they were working for you; is that right?

Mr. BREWSTER. They were.

Mr. KENNEDY. Now, what about "S. Johnson"? Do you know a man by the name of Johnson? Is he also an employee of yours?

Mr. BREWSTER. I don't recall "S. Johnson." We have got probably several thousand Johnsons.

Mr. KENNEDY. Was this "Southern Johnson"? Do you know Southern Johnson?

Mr. BREWSTER. No, I don't.

Mr. KENNEDY. Of Clairbrook stock farms?

Mr. BREWSTER. I don't recall the name.

Mr. KENNEDY. You do not?

Mr. BREWSTER. No, I do not.

Mr. KENNEDY. You do not know him as an employee of yours?

Mr. BREWSTER. I don't recall the name of S. Johnson as an employee at any time.

Mr. KENNEDY. Would you check on Mr. Johnson and find out if he is an employee of yours? Our records seem to indicate that he is, but I would like you to check on it, would you?

Mr. BREWSTER. I will.

Mr. KENNEDY. What about Mr. Terry McNulty?

Mr. BREWSTER. Terry McNulty is an employee of the Western Conference of Teamsters.

Mr. KENNEDY. Is he also, or would you tell first how long have you known Mr. Terry McNulty?

Mr. BREWSTER. Ever since I started in, about 16 years old.

Mr. KENNEDY. Has he done any work for you or your horses, or your van or anything to do with that?

Mr. BREWSTER. He has driven the van, yes, on weekends and so forth, on vacation.

Mr. KENNEDY. He also arranged for the feeding of the horses, did he?

Mr. BREWSTER. Arranged for the feeding of the horses?

Mr. KENNEDY. Yes.

Mr. BREWSTER. What do you mean by that?

Mr. KENNEDY. Has he also done some of the purchasing of the feed for the horses and done some of that kind of work?

Mr. BREWSTER. I think possibly he might have known someone that had hay for sale and so forth. Is that what you mean?

Mr. KENNEDY. Well, anything like that.

Mr. BREWSTER. Yes, anything like that.

Mr. KENNEDY. And he drove your van occasionally, did he?

Mr. BREWSTER. Yes; he did.

Mr. KENNEDY. Did he drive the van during the week, also?

Mr. BREWSTER. He might possibly go into the week or work days, but most of the time, I want to explain this, that 90 percent of the horses we shipped by a regular van. This was just an occasion when this van was used, just intermittent occasions.

Mr. KENNEDY. Was he also walking some of your horses and did he also do that occasionally?

Mr. BREWSTER. At different times he would get up in the morning, at probably 5 o'clock, and walked the horses before 6 or 7 o'clock.

Mr. KENNEDY. For this work that he did for you, of driving the van and purchasing the food and all occasionally, and walking the horses occasionally, did you pay him?

Mr. BREWSTER. No, sir.

Mr. KENNEDY. He got paid by the Western Conference of Teamsters?

Mr. BREWSTER. Yes; but he did not do this, to my recollection, on the western conference's time.

Mr. KENNEDY. Why was he doing it then?

Mr. BREWSTER. He is a very close, long-time friend of mine.

Mr. KENNEDY. But he never got paid by you at all for doing this work?

Mr. BREWSTER. No; he never got paid.

Mr. KENNEDY. For doing the work around the horses?

Mr. BREWSTER. Doing the work around the horses.

Mr. KENNEDY. He, also, has stayed at the El Rancho Motel, our records show, and what kind of work was he doing for the Western Conference of Teamsters at the El Rancho Motel?

Mr. BREWSTER. There is no work that he did at the El Rancho Motel. There is no work of the teamsters performed at the El Rancho Motel.

Mr. KENNEDY. Well, could you explain to the committee why he also got his hotel bills paid at the El Rancho Motel?

Mr. BREWSTER. That I do not know, whether he did or did not.

Mr. KENNEDY. He sent in vouchers. We have got some vouchers here that he sent in.

Here he is registered at the El Rancho Motel on the 9th, 10th, 11th, and 12th of September of 1955.

Here, Mr. Chairman, we have the vouchers that were furnished by Mr. Terry McNulty, submitted to the Western Conference of Teamsters, some of them.

The CHAIRMAN. Present these vouchers to the witness and let him identify them, please.

(The documents were handed to the witness.)

The CHAIRMAN. All right, Mr. Brewster, are you ready? How many documents have you examined there?

Mr. BREWSTER. I am not through all of them yet, Mr. Chairman.

The CHAIRMAN. All right.

Mr. BREWSTER. At different times, and I am going to have to check these with McNulty and find out about it, but at different times—

Mr. GRIFFIN. Did you want him to identify them?

The CHAIRMAN. I would like to have them identified and then you can make the explanation. What has been presented to you, Mr. Brewster? What do you now have before you which you concluded examining?

Mr. BREWSTER. It is an expense from September 11, 1955, to September 15, 1955, inclusive, totaling \$50, Terry McNulty, Western Conference of Teamsters, organizer.

Do you want them all read?

The CHAIRMAN. Just identify them. Do you have 4 or 5 or what?

Mr. BREWSTER. I have four, and then the checks that he received and he receipted and cashed.

The CHAIRMAN. You identify those as records of the teamsters union, do you, photostatic copies of records?

Mr. BREWSTER. I do.

The CHAIRMAN. All right, they may be made exhibit No. 70A, 70B, 70C, 70D, and 70E, and so forth until they are all included.

(The documents referred to were marked "Exhibits Nos. 70A, 70B, 70C, 70D, and 70E," for reference and will be found in the appendix on pp. 1389-1394.)

Mr. KENNEDY. Could you give us the figures on each one of them?

Mr. BREWSTER. The first one is \$60.57, \$57 is the second, and \$53.50, and \$29.50.

The CHAIRMAN. And the fourth one?

Mr. BREWSTER. The first one was \$60. Did you get that one? The second is \$57, and \$53.50, and \$29.50.

The CHAIRMAN. That makes four of them?

Mr. BREWSTER. Yes.

The CHAIRMAN. Thank you very much.

Now, Mr. Counsel, you may proceed.

Mr. KENNEDY. Did you have any statement that you wanted to make about that?

Mr. BREWSTER. Yes. Mr. Terry McNulty also is an organizer on the highway, on the road. I would not say that he was driving a van then. I am going to have to check and see what time he was, and the chances are that when he came in he just put in his voucher and I have sent him up and down the coast.

Mr. KENNEDY. He was at the hotel on September 9, 10, 11, and 12, and he submitted one of the vouchers there for those four days. I think, amounting to about \$29.

And now, at the El Rancho Motel, he would not be there—

Mr. BREWSTER. But there is a highway close to there that he checks on trucks that run up and down the highway. It is a natural position for an organizer, not to stay in the heart of the city, when he organizes he stays out in motels and so forth.

At Bayshore, I don't know whether you know it, there are probably as many trucks going on that Bayshore as there are any other place.

The CHAIRMAN. If this money was paid out for your benefit in your racing business, you have never repaid it, have you, to the union?

Mr. BREWSTER. I haven't. I said the other day that I intend to.

The CHAIRMAN. All right.

Mr. KENNEDY. When you were staying at the El Rancho Motel for the racing season, at either the Tanforan or Bay Meadows, did you charge the union for your expenses?

Mr. BREWSTER. I did because I didn't stay there just to go to the racing season, and so forth. I had work in that area in San Francisco and the amount of money that I paid there was much less than the amount of money that I would have paid in San Francisco for rooms.

Mr. KENNEDY. I notice that when you are there it is often when the racing season is on. So, for instance, the Tanforan track was going at the same time you were there and I am looking at this October 25 through December 15.

Mr. BREWSTER. One of our local unions is out in that vicinity, the one that has—

Mr. KENNEDY. Did you take all of that time to look at the local union?

Mr. BREWSTER. Just a minute and I will tell you what time I took.

Mr. KENNEDY. All right.

Mr. BREWSTER. I take time in going around and questioning and I can probably take and find 100 people, when I go into the race track at all, will come to me with some problems. I have even been in a position of where I thought that I would consolidate the north and south parts of the State of California to have one local union and one person responsible for that local union.

I have worked with those people and worked with the organizers and worked with the secretaries and worked with the people that belonged to that organization. I used to receive letters after letters that in their opinion they weren't getting the proper representation through the method that the union was operating under and there are many tracks around there that open up and so forth and they weren't getting their seniority.

Mr. KENNEDY. Have you finished?

Mr. BREWSTER. For now.

Mr. KENNEDY. We have been talking about the van, Mr. Brewster, and this van that Mr. Terry McNulty drove on occasions. Any of the repairs or any of the work that was done on that van, was that charged to the Western Conference of Teamsters?

Mr. BREWSTER. Not to my knowledge.

Mr. KENNEDY. You do not know anything about that either?

Mr. BREWSTER. I do not know anything about it.

Mr. KENNEDY. Were you keeping up on what was going on with the money and how the money was being used of the Western Conference of Teamsters? Were you keeping yourself advised?

Mr. BREWSTER. I had a bookkeeper for that purpose.

Mr. KENNEDY. All of these things, that seem to have been going on, you do not appear to know anything about, Mr. Brewster. I am trying to find out about it.

Mr. BREWSTER. Probably not as well as I should.

Mr. KENNEDY. Particularly when they were moneys that were going to some of your employees. What about the van? You do not remember anything about that?

Mr. BREWSTER. I do not.

Mr. KENNEDY. Mr. Chairman, we have an affidavit from the Superior Auto Service.

Are you familiar with the Superior Auto Service? Do you know that company?

Mr. BREWSTER. I know that there is one. I have never met the owners.

Mr. KENNEDY. Do you know Ray Heiserman?

Mr. BREWSTER. No, I don't. I just heard his name. That is all.

The CHAIRMAN. Counsel may read the affidavit into the record, and then interrogate the witness about it.

Mr. KENNEDY (reading) :

I, Ray Heiserman, residing at Route 2, Box 1265, Kent, Wash., having been duly sworn on my oath, do voluntarily depose and say that :

I am the owner and operator of an automobile repair shop known as Superior Automotive Service, located at 2133 Third Avenue, Seattle Wash. From time to time, I repair and service automobiles owned by various organization of the teamsters union.

Up until about 2 or 3 years ago, I did several repair jobs over a period of time on a 1948 model, GMC, truck, equipped as a horse van to carry six horses. I understood this truck was owned and used by Frank Brewster. These repair jobs included relining brakes, replacing universal joint, replacing clutch, and replacing the engine. It was about 1952 or 1953 when the engine was replaced and I recall that the truck was towed into my shop. I informed the driver, whose identity I do not recall, that the new engine would cost about \$600 and that I did not have the money to advance for its purchase. Soon thereafter, he brought a check for about \$600 signed by Frank Brewster which I used to purchase the replacement engine. I do not recall the detailed description of this check or whether it was drawn on Brewster's personal account or an account of the union.

To the best of my knowledge, all or, at least, most of the charges for work performed on the horse van have been paid by checks issued by one or more of the teamster union organizations.

This van truck had the name "Brael Stables" painted on the side and I have not seen the truck for about 2 years.

I solemnly swear that the foregoing statement dated this 8th day of March 1957, consisting of one page, has been read by me and it is true and correct to the best of my knowledge and belief, so help me God.

(Signed) Ray Heiserman.
RAY HEISERMAN.

Subscribed and sworn to before me this date, March 8, 1957.

(Signed) JOHN H. FIELD, *Notary Public*.

Mr. BREWSTER. Can I read the statement?

(Document handed to witness.)

(The witness conferred with his counsel.)

Mr. KENNEDY. Mr. Chairman, some of the checks that we will discuss here are on their way in from the State of Washington.

The CHAIRMAN. All right, Mr. Brewster, the question is did you or did you not pay for the repairs of your horse van or truck out of union funds.

Mr. BREWSTER. Not to my knowledge.

The CHAIRMAN. You say now that you did not?

Mr. BREWSTER. No, I say that I have no knowledge of doing it. I don't remember doing it.

The CHAIRMAN. If you did do it, how did you expect to reimburse the union?

Mr. BREWSTER. Out of my own account.

The CHAIRMAN. When? In other words, if it hadn't been for the work of this committee, you would have never known you had done it, would you?

Mr. BREWSTER. Oh, yes, I would.

The CHAIRMAN. How would you have found out?

Mr. BREWSTER. Before this committee came into action—I tried to explain the other day. I think it has been a little misrepresented or understood, maybe. Before this is over, I will prove that I don't owe 1 dime.

The CHAIRMAN. We have given you the opportunity here now.

Mr. BREWSTER. I am going to have an opportunity—Mr. Senator McClellan, please.

The CHAIRMAN. All right.

Mr. BREWSTER. The opportunity that I have had has been under interrogation. It hasn't been an opportunity to sit down and really try to fathom it and work on it, and so forth.

The CHAIRMAN. No, sir, but you have had the opportunity ever since the bills were incurred.

Mr. BREWSTER. I have had that, and I have told you that by the first of the month I am going to have a man that is going through the entire subject matter and bring these people in, all that you have got statements from and so forth, and have them checked thoroughly. I have a warranty deed for everything I own. Before that, it was everything I owed to the western conference has been my mortgages and so forth. I am paying interest on them, 3 and 3½ percent, and I have the warranty deed, and I have already set up where the western conference appoints an appraiser, I appoint 1, and the 2 of them appoint an impartial one.

The CHAIRMAN. How does that affect these bills?

Mr. BREWSTER. That will all come in there on anything that I owe. I don't care what it is. I will absolutely prove to you within a period of 60 days that this picture will change considerably, and I would like to have the opportunity to see you personally when it is over and talk to you about it.

The CHAIRMAN. Well, the Chair has no objection granting you a conference whenever you are ready. In the meantime, I cannot defer these hearings.

Mr. BREWSTER. I don't expect that.

The CHAIRMAN. The point is——

Mr. GRIFFIN. Mr. Chairman?

The CHAIRMAN. Just one moment.

The point is the Chair is trying, the committee is trying, to find out, to get your explanation, if you have any, of these records that we have finally been able to get. Your records have been destroyed, and it is very difficult. But if we can get up these things without your records and go into the banks, and go around and make these contacts, with the limited opportunity we have to do it in, it raises some very strong suspicion as to what the records would show if you had them here available. Do you not agree?

(The witness conferred with his counsel.)

The CHAIRMAN. You agree, do you? That is the kind of operation, management, bookkeeping and system that the teamsters union appears to have, is that not correct?

Mr. BREWSTER. It isn't good. I would say that.

The CHAIRMAN. I know it isn't good. We all know that it is not good. I will just observe one other thing. You said you were paying three or three and a half percent interest. Do you not feel in view of Mr. Beck's statement that he borrowed three or four hundred thousand dollars without paying any interest, that you are being discriminated against a little?

Mr. BREWSTER. Please don't get into Mr. Beck now. I have enough trouble myself.

The CHAIRMAN. All right. We will defer that.

Proceed, Mr. Counsel.

Senator MUNDT. Mr. Chairman?

The CHAIRMAN. Senator Mundt.

Senator MUNDT. Mr. Brewster, you said that your statement about employing an auditor and your intention to pay back all of the money that you might have used from teamsters' funds for personal loans, might have been misunderstood or misinterpreted by this committee. I have a few questions I would like to ask you in that connection which I think will help you make the record clear. As I understood the picture, you told us that about last October you had decided to employ an auditor to go over all the records and accounts to determine how much money you might have used for personal purposes out of union funds, and that you were then going to make a complete restitution of any funds that he so found, and that your auditor was going to go to work about the first of April. If I understood you further, you said that you were going to seek changes in the constitution of the international or Western Conference, or both, to establish an auditing control over accounts of this kind.

I presume that the purpose of that audit control would be to make it less likely that this kind of expenditure would occur in the future.

Have I correctly interpreted your position so far?

Mr. BREWSTER. That is absolutely correct.

Senator MUNDT. Now let me ask you some questions which are not going to test your memory or seek your records, but are going to give you a chance to make your position crystal clear.

Do you believe with me, Mr. Brewster, as a good union policy, let us say, do you believe that it would be good and proper union policy, for union officials to use union dues for other purposes and activities than those which are beneficial to union members?

Mr. BREWSTER. I do not think so.

Senator MUNDT. You do not. Do you think that such a use of union funds, which, of course, to the extent that they are used in that way, have their impact on higher than necessary union dues, do you think that such use by union officials of union funds is desirable?

Mr. BREWSTER. I don't think it is.

Senator MUNDT. Do you think it is appropriate?

Mr. BREWSTER. No, I don't.

Senator MUNDT. Do you think it is proper?

Mr. BREWSTER. No.

Senator MUNDT. Would you agree with me, then, that union dues paying members are entitled to protection against such expenditures from their fund?

Mr. BREWSTER. I certainly do.

Senator MUNDT. And I presume your purpose in seeking these constitutional changes moves in that direction?

Mr. BREWSTER. That is true.

Senator MUNDT. Then I ask you, would you support, Mr. Brewster, legislation which would provide for making certain that there is a total disclosure to union members of all the expenditures made by union officials of their funds?

Mr. BREWSTER. I cannot see any harm in it.

I don't—

Senator MUNDT. It might not be necessary, but would you——

Mr. BREWSTER. By legislation, can I explain that?

Senator MUNDT. Yes. We are talking about the meat in the coconut.

Mr. BREWSTER. Yes. On certain parts of legislation, when it refers to that, I haven't any objection on it, but I just wonder how much further the legislation is going to go, and it is probably going to go to a point that it is going to hurt unions a little bit more in something else that they think of. They think "Well, this is all right."

Senator MUNDT. Let us stick to the specific things that you and I have been talking about.

Mr. BREWSTER. If it is confined to that, Senator——

Senator MUNDT. I can agree, of course, that you can use this as a club to hurt unions. I do not want to do that. But up until now, you and I have agreed that the union member is entitled to complete protection against the diversion of his funds for nonunion purposes.

Mr. BREWSTER. First let me say this.

Senator MUNDT. Wait a minute. We have agreed that far, have we not?

Mr. BREWSTER. We have agreed that far.

Senator MUNDT. Now go ahead and say what you want to say.

Mr. BREWSTER. I think that—I honestly think that labor can do the job itself. I have not put in enough time, probably, on this certain issue to probably reach a solution.

Senator MUNDT. There is no question, of course, that it is possible that labor can do the job itself, but it is also true, as you have admitted, and I commend you for your candor, that as a union official that believes that such diversion of union funds is improper, that at times you, yourself, have been careless and have made such diversion, and you propose to make restitution. It is entirely possible that if a man who believes, as you say you do, that such diversion is improper, that some other union official could also make the diversions and not feel it is improper. So the union member is entitled to safeguards. He is the fellow we are thinking about now.

I would assume that you would agree with me that legislation directed solely to the goal of safeguarding the funds that the union member pays against improper diversions by union officials, would be appropriate legislation which you would support. Am I right or wrong?

Mr. BREWSTER. Certain types of it, yes. I certainly——

Senator MUNDT. We are limiting it now. I want to get that clear.

Mr. BREWSTER. All right, if it is absolutely limited to that, that is fine. But how it is being done, and so forth——

Senator MUNDT. Would you think that this would be reasonable, that the books of the union should be audited periodically by outside C. P. A.'s, certified public accountants?

Mr. BREWSTER. I absolutely do.

Senator MUNDT. That is what I am talking about. And that it would provide what your constitution now fails to provide, certain areas in which it is perfectly proper for union officials to expend money. I would concur with you that entertainment of employers, people of that kind, would be as appropriate for union officials to expend as it is for corporations to spend entertainment funds for their prospective customers. I am not trying to hamstring you, but I am

trying to preclude the kind of thing that we have been talking about this morning, if it did occur.

I will go a little further to another field. Do the teamsters have a pension and welfare fund?

Mr. BREWSTER. Yes, we do.

Senator MUNDT. Is that separate from these funds that we have been talking about today, or is it all wrapped up in one general treasury?

Mr. BREWSTER. Just as separate as I am from this committee.

Senator MUNDT. Would you concede that pension and welfare funds are entitled to even tighter safeguards than ordinary union funds? As I understand pension and welfare funds, if they are not kept inviolate, some old or aging or unemployed or crippled teamster might find himself at the end of his career depending upon a pension or a welfare check which could not be forthcoming if the funds were dissipated. So these should be kept pretty inviolate, should they not, the pension and welfare funds?

Mr. BREWSTER. You can't make laws too strong, in my opinion, to protect that.

(At this point, Senator Ives withdrew from the hearing room.)

Senator MUNDT. Would you agree with me that it is as important to have adequate laws protecting pension and welfare funds for the union-dues-paying members as it is to have appropriate legislation to protect the depositors in national banks, or the people who carry insurance policies in great national life insurance companies?

Mr. BREWSTER. That is right. I think—can I say something?

Senator MUNDT. Surely.

Mr. BREWSTER. I think if you check, and I think you would get some of the brighter things that happen to Frank Brewster—

Senator MUNDT. I want to get the whole picture.

Mr. BREWSTER. —if you would check our health and welfare, you would find that it is second to none in the United States. That means the world.

Senator MUNDT. You are, of course, familiar, sir, with union legislation and unions, better than I am, because you have been in the union a long time, and I am just a reluctant prospective teamster member, as I told you the other day. Perhaps you can tell me what Federal laws now are in operation as far as welfare and health and pension funds are concerned, or is that left to the good judgment and integrity of union officials?

Mr. BREWSTER. I don't believe that there is any that I know of that probably will protect them in its entirety. But I want to say that also—

Senator MUNDT. I am not making any charges that your funds have been dissipated. I am simply asking you whether human beings do not differ a great deal whether they happen to be in one location or another. You have honest people and you have scamps in all walks of life. They come and go. I would think, therefore, that the fellow who depends on a pension or health or welfare fund has a right to expect his Government to interest itself in protecting the sanctity of those funds. I am seeking from you counsel as to whether or not you, as one of the leading union officials of this country, would support legislation directed to that specific purpose.

Mr. BREWSTER. I think so. I want to——

Senator MUNDT. Let us not guess. Would you really do it?

Mr. BREWSTER. Sure.

Senator MUNDT. Wholeheartedly, enthusiastically, firmly?

Mr. BREWSTER. Absolutely.

Can I explain a little further my ideas? I think you could write a law that would be drawn from the way we handle it in the western part of the country, and it would be just about as good as any law that you could get. On the pension, we have a contract with Prudential. There is not one penny of that that is handled through any member of the teamsters union. It all goes to the Prudential. The surplus—the reserves, rather—we have a contract with them. We do not invest it, we do not gamble with it, we don't do anything but good sound investment. We have a contract for $2\frac{1}{2}$ percent.

At the present time I think it is paying 3.34. That is done so that there will be no chance for any of those funds to be gone out and get rich quick, to probably make more, because in my opinion that has to be safe.

Senator MUNDT. Let me ask you this. I am not asking you to inject yourself into the troubles which may or may not lie ahead of Mr. Beck. I recognize that you do not want to get into that.

Mr. BREWSTER. Please don't.

Senator MUNDT. But making an assumption, assuming that what Mr. Beck said on the television program is correct, and I would assume that it is, that he had borrowed three or four hundred thousand dollars from the teamsters and paid it back, would that be from pension and welfare funds, or from other funds?

Mr. BREWSTER. It would have to be from other funds, as far as we are concerned.

Senator MUNDT. It could not be out of this?

Mr. BREWSTER. Not out of ours. Not 1 penny can be borrowed out of it.

Senator MUNDT. You are aware, of course, that the Federal law provides, for national banks and insurance companies, certain kinds of investments which can be made and certain kinds which cannot be made.

Mr. BREWSTER. That is right.

Senator MUNDT. And that a national bank or an insurance company could not invest, certainly, in a racetrack, or a personal loan, or things of that kind, without certain types of security. My point is that it seems to me that the union member is entitled to Federal legislation which would protect him as fully as the depositor in a national bank, and as fully as the purchaser of insurance in a national life-insurance company.

I am seeking from you a categorical answer, if I can get it: Do you or do you not agree with me on that?

Mr. BREWSTER. You are speaking of health and welfare and pensions?

Senator MUNDT. That is correct.

Mr. BREWSTER. Absolutely, I do. I have no objection.

Senator MUNDT. O. K.

Senator McNAMARA. Mr. Chairman?

The CHAIRMAN. Senator McNamara.

Senator McNAMARA. I would like to ask a few questions along this same line. Do we not now have a requirement in the Federal law to report all receipts and expenditures of union funds?

Mr. BREWSTER. Yes, we have.

Senator McNAMARA. Do I understand from the answer you gave to a question of Senator Mundt that you think they are not sufficient, that we should have further Federal laws?

Mr. BREWSTER. No, I didn't think that that was the type of answer that was made. I thought that a further breakdown, and so forth, of expenses should be made. That is what I took to be his question. I didn't take it as an overall picture. I thought maybe he meant more of a breakdown.

Senator MUNDT. Your understanding was correct.

Senator McNAMARA. In the dealing of the other area of health and welfare funds, I understand some health and welfare funds are jointly administered by the employer and the employee.

Mr. BREWSTER. Right.

Senator McNAMARA. Some are handled either by the employer alone or by the employees alone. What is the situation in your fund in the area that you are dealing with in health and welfare funds? Are they jointly administered?

Mr. BREWSTER. A hundred percent jointly administered, Senator.

Senator McNAMARA. By a committee of how many? Do you know?

Mr. BREWSTER. Let me say first, the pension consists of a committee, I think, of 12 at the present time, on each side, and it can be extended if we take in other industries. This is something new, as you know, Senator. We try and have a representative from each industry, such as building trades, and the food industry, milk and et cetera. We intend, and it is our purpose, and it has been drawn up to the point, that every employer, associationwise, in the 11 Western States, will have a representative on it.

By the same token, we have a representative to match.

On the health and welfare, we started that in making separate plans in different areas and so forth. I think we have something like 80 some plans, and they have from—I think usually it is 2 from each side and sometimes as many as 3 from each side.

Senator McNAMARA. You are talking about the local union level?

Mr. BREWSTER. Yes, that is right.

Senator McNAMARA. And then do they all consolidate in one plan under the Western Conference of Teamsters?

Mr. BREWSTER. On health and welfare? No, they do not. They have different—

Senator McNAMARA. Then answer this: Does the Western Conference of Teamsters enter into health and welfare plans in any manner except to recommend and approve to the local union?

Mr. BREWSTER. That is right. That is all.

Senator McNAMARA. Then there is no joint fund covering all of the area?

Mr. BREWSTER. No, there isn't in health and welfare.

Senator McNAMARA. They are handled in various ways, depending on the arrangement worked out between the employer and the employees at the local union level?

Mr. BREWSTER. It is done, but it has to be approved by the Western Conference, yes, sir.

Senator McNAMARA. But as far as the funds are concerned, the Western Conference does not enter it, except to recommend to the local union?

Mr. BREWSTER. That is right. That is right.

Senator McNAMARA. The funds are actually held in trusteeship, and you indicated are held by the Prudential Life Insurance Co.?

Mr. BREWSTER. Not in the——

Senator McNAMARA. On the pension.

Mr. BREWSTER. On the pension in Prudential, yes, sir.

Senator McNAMARA. How about the others?

Mr. BREWSTER. The others are in different localities put in different banks, and they also can only be put in national banks. We can't buy debentures or anything else with them.

Senator McNAMARA. If there are any fees accruing from the placing of the business, as there are in insurance companies generally, where would those fees go?

Mr. BREWSTER. They would go back into the trust fund.

Senator McNAMARA. Thank you.

Mr. BREWSTER. I want to say this, too, that in our pension plan, there is only 1 percent for the operation of the pension plan, to keep all records and everything, and there is only four-tenths of 1 percent that is paid in commissions.

Senator McNAMARA. Is this fund created by contributions from the employer only, or does the employee make a contribution?

Mr. BREWSTER. The employer only.

Senator GOLDWATER. Mr. Brewster, who is authorized to write checks on the welfare fund?

Mr. BREWSTER. Only the people that are designated by the trustees.

Senator GOLDWATER. Do you happen to be one of those?

Mr. BREWSTER. In some instances I am. And with an employer. There is always an employer and a union member.

Senator GOLDWATER. You cosign with an employer?

Mr. BREWSTER. I have cosigned, yes.

Senator GOLDWATER. Would those checks be signed by machine?

Mr. BREWSTER. Yes, they would.

Senator GOLDWATER. Who has the authority to authorize them to be written?

Mr. BREWSTER. Can I explain this a little more?

Senator GOLDWATER. Who has the authority to operate that machine?

Mr. BREWSTER. The machine, as I said the other day, my secretary.

Senator GOLDWATER. That comes under your jurisdiction?

Mr. BREWSTER. Yes.

Senator GOLDWATER. How about the signature of the employer representative?

Mr. BREWSTER. Well, I don't know about him.

Senator GOLDWATER. Is his plate carried in your office?

Mr. BREWSTER. No.

Senator GOLDWATER. You have to use a machine to sign your name and then send the check to him for his signature?

Mr. BREWSTER. That would have to be it.

Senator GOLDWATER. Is that the way it works?

Mr. BREWSTER. Let me explain.

Senator GOLDWATER. No. Is that the way it works?

Mr. BREWSTER. I don't know what checks you are talking about.

Senator GOLDWATER. I am talking about checks drawn on the welfare funds.

Mr. BREWSTER. For benefits?

Senator GOLDWATER. Yes. For any purpose.

Mr. BREWSTER. For benefits, no, the benefits are drawn by an administrator of the fund, and he signs the check for benefits. In other words, they get a bill, that bill is checked thoroughly, it goes through the procedure of seeing whether it is a proper bill, we check and so forth, and then that man sends out the check himself from that office.

Senator GOLDWATER. Are you an administrator?

Mr. BREWSTER. No, sir.

Senator GOLDWATER. You asked the question of me of what uses. Are there other uses of the welfare fund rather than paying for the purposes of the welfare fund?

Mr. BREWSTER. No. I didn't understand that I said that.

Senator GOLDWATER. I thought you did.

Mr. BREWSTER. How did I say that? I don't remember it.

Senator GOLDWATER. You said it that plain, that there were other purposes. Can you draw money on this fund for any other purposes than the payment of welfare funds?

Mr. BREWSTER. Not 1 penny.

Senator GOLDWATER. So what purpose does it serve to have you have the ability to sign checks on the welfare fund?

Mr. BREWSTER. I was trying to get to that. If you will let me, I will—

Senator GOLDWATER. All right.

Mr. BREWSTER. I will take a shortcut. That is just in the case that we have a surplus and we feel that it should be put in the bank and drawing some interest. Then that is made out in that way. It isn't anything that calls for any immediate action. That is done by a meeting of the trustees, and they say, "Well, we have a surplus," we will say, "of \$100,000. I don't think we need a surplus of over half that much. We should put \$50,000 in a certain bank," and so forth, and we agree on the banks that we put it in. Then in that event, then we would make a check out to the bank for that account.

Senator GOLDWATER. And you would sign it?

Mr. BREWSTER. Yes, sir; and an employer.

Senator GOLDWATER. But the signatures could be machine signed?

Mr. BREWSTER. It could be, but those certain checks, I don't think it is necessary, because they would be done right after the meetings, and so forth, but if it had to be done and I was out of town, and I O. K.'d it and the minutes of the meeting showed that, I think that my check signature on the machine would be ample.

Senator GOLDWATER. Are not most of the teamster checks machine signed?

Mr. BREWSTER. No, they are not, Senator Goldwater; they are not. In fact, there are very few. One of the reasons that I had the machine made out was I was signing several hundred checks when I would

come into town, and I would have to hold meetings and talk to people while I was signing checks. It was to expedite things.

Senator MUNDT. Following up on this surplus, where does this surplus accumulate before you put it in the bank?

Mr. BREWSTER. How does it accumulate? It accumulates on good experience with the fund itself. There are many funds that have good experience, and there are many funds that have bad experience. You take a large fund. It has good experience because it takes the overall picture. You take an organization with, we will say, 500 people, and usually the experience is bad. What we are working on now is to consolidate all funds so that they can get together, and the good experience will, I think, prevail overall.

Senator MUNDT. I got lost someplace in the picture, Mr. Brewster. I thought in connection with your responses to Senator McNamara that each local union made its arrangement with its employer for a pension and welfare contract, and that the employer paid the money, and that you came into the picture only in recommending the kind of contract which you thought was good, and in finally approving them.

Mr. BREWSTER. There are two different questions. The pension is that way, and the health and welfare is done by local unions, because it is in the local contract. It becomes part of the local contract. All of these people, in order to make it legal and so forth, have to sign a short form.

Senator MUNDT. Let us stick to the health and welfare. There are two funds?

Mr. BREWSTER. Yes.

Senator MUNDT. We will talk about health and welfare. The health and welfare is strictly a local proposition. You enter into it only to recommend and to approve?

Mr. BREWSTER. That is right.

Senator MUNDT. The funds that accumulate under the health and welfare program, do they ever come into your jurisdiction? Do you ever sign any checks in connection with them?

Mr. BREWSTER. As I explained, only to the point that I am on some of the trustees. In fact, I was on the first one that put it into effect in the 11 Western States. So I am on the trustees as one of the trustees, and then there is a signator from the employers part of it.

Senator MUNDT. You are a trustee for a local union?

Mr. BREWSTER. Yes, sir. For an association, we will say, or probably an industry.

Senator MUNDT. How many trusteeships of that kind do you hold?

Mr. BREWSTER. Trusteeships?

Senator MUNDT. Yes.

Mr. BREWSTER. In where? What do you mean?

Senator MUNDT. Well, with these local funds. You said you were made a trustee of a local fund to sign checks.

Mr. BREWSTER. No, no, no. I am a trustee of the fund, a board of trustees that consists of sometimes 5 and sometimes 3. I mean 4 and 6.

Senator MUNDT. I am trying to get to the point. We start out with purely a local situation, and a local union makes a contract, including health and welfare payments with a local employer. You do not enter into that at all. They make their own contract. Now, when the payments are made, they are made by the employer, right?

Mr. BREWSTER. That is right.

Senator MUNDT. And to whom are they made? To this local union or to your western conference?

Mr. BREWSTER. They are made to the insurance companies.

Senator MUNDT. You would not be signing any checks for insurance companies.

Mr. BREWSTER. No, sir.

Senator MUNDT. I am trying to figure out how you get to sign any checks in connection with a purely local operation, which is between employers and unions.

Now you tell me they make the payment to the insurance company.

Mr. BREWSTER. I can explain that very easily. The only place that I sign checks is if I am an officer of that certain local union.

Senator MUNDT. Are you an officer of a local union?

Mr. BREWSTER. Yes, sir.

Senator MUNDT. Of more than one?

Mr. BREWSTER. Yes, sir.

Senator MUNDT. How many?

Mr. BREWSTER. About 4 or 5 under trusteeship.

Senator MUNDT. You are an officer of those local unions which are under trusteeship?

Mr. BREWSTER. Yes, sir.

Senator MUNDT. You are not an officer of any other local union?

Mr. BREWSTER. Well, I am an officer of 1 local union that is not in trusteeship, and then I am an officer of either 4 or 5—I don't know whether it has been taken out of trusteeship yet.

Senator MUNDT. What happens to the pension plan? You say that is handled differently. Explain that.

Mr. BREWSTER. The pension fund is a western conference pension fund that is a uniform plan for every member of the truck drivers' organization, some 375 in the 11 Western States. We have at the present time in excess of 150,000 that come under it.

Senator MUNDT. Who pays for that?

Mr. BREWSTER. The employer.

Senator MUNDT. Does the employee contribute to it?

Mr. BREWSTER. No, sir.

Senator MUNDT. The employer only. He pays the money to the Western Conference officers?

Mr. BREWSTER. No.

Senator MUNDT. Where does he pay?

Mr. BREWSTER. The checks are paid so that we can check through the western conference office in the areas, so that we can check with the membership to see if the checks are right. But they are made out to the Prudential Life Insurance Co.

Senator MUNDT. Each employer, then, makes out his pension check payable to the Prudential Life Insurance Co.?

Mr. BREWSTER. Yes, sir.

Senator MUNDT. He does not make it payable to you?

Mr. BREWSTER. No.

Senator MUNDT. He sends it to you, and you simply submit it to the Prudential Co.?

Mr. BREWSTER. That is right, after we check whether the amount agrees with the amount of people employed, and so forth, and we keep those figures, and then it goes into their office.

Senator MUNDT. So at no stage of the operation, either in health and welfare or in pensions, are the funds ever comingled with your general union funds collected from dues-paying members?

Mr. BREWSTER. It is a separate building, a separate administration. I believe that the investigators were around and took a light look but didn't go through very further. I wish they would take a better look.

Senator MUNDT. This, I understand, is done by the determination and decision of the Western Conference and not in response to any Federal law, and other unions have their own systems for pension funds?

Mr. BREWSTER. That is right, I think.

The CHAIRMAN. All right, counsel.

Mr. KENNEDY. Mr. Brewster, I would like to go back to your interest in horses and horseraces, horse tracks. You purchased or there was purchased with western-conference funds certain boxes at the various racetracks around on the west coast, is that correct?

Mr. BREWSTER. There was, yes.

Mr. KENNEDY. How many boxes do you think you purchased at the various racetracks in a period of a year?

Mr. BREWSTER. Well, I believe that there is one at—do you mean at the different tracks?

Mr. KENNEDY. Yes.

Mr. BREWSTER. Or how many at a track?

Mr. KENNEDY. At the various tracks. What tracks have you purchased boxes at?

Mr. BREWSTER. On practically all of them but my own hometown, and I purchased that myself.

Mr. KENNEDY. But all the others were purchased with Western Conference funds?

Mr. BREWSTER. Yes, it was.

Mr. KENNEDY. How many racetracks would that involve?

Mr. BREWSTER. Well, there are 1, 2, 3, 4, 5—6, I believe. Maybe not that many. Maybe we didn't—that is how many tracks there are.

Mr. KENNEDY. We have a check here for February 10, 1954, to the California Jockey Club for \$200. April 13, Hollywood Turf Club, \$240; September 7, Tanforan Turf Club, \$75; October 5, Golden Gate Turf Club, \$150; October 5, Golden Gate Fields, \$225; December 1, Los Angeles Turf Club, \$390; making a total of \$1,280 for the year 1954.

Mr. BREWSTER. How many tracks are there?

Mr. KENNEDY. Six. You are right.

Mr. BREWSTER. One question I got right.

The CHAIRMAN. The Chair presents to you the checks referred to by counsel, photostatic copies of them. See if you identify them, please.

(Documents handed to witness.)

The CHAIRMAN. They all appear to have been signed by you as an official of the Western Conference of Teamsters.

(The witness conferred with his counsel.)

Mr. BREWSTER. They are all in order.

The CHAIRMAN. All right, those checks will be made exhibit 71-A, B, C, D, E, and F.

(The documents referred to were marked "Exhibits 71-A, 71-B, 71-C, 71-D, 71-E, and 71-F" for reference and will be found in the appendix on pp. 1395-1400.)

Mr. KENNEDY. On February 10, 1955, the Golden Gate Fields, \$225; the same date, February 10, 1955, the Golden Gate Turf Club, \$150; June, Delmar Turf Club, \$180; August, California Jockey Club, Bay Meadows, \$200; November, Tanforan Turf Club, \$75; December, the Los Angeles Turf Club, \$560; making a total of \$1,390, and the total for 2 years for boxes at racetracks \$2,670 out of union members' dues.

The CHAIRMAN. The last checks referred to by counsel will now be presented to the witness for identification.

(Documents handed to witness.)

Mr. KENNEDY. That is just for those 2 years, Mr. Chairman.

(The witness conferred with his counsel.)

Mr. BREWSTER. Those are in order.

The CHAIRMAN. They will be made exhibits Nos. 72-A, B, C, D, E, and F.

(The documents referred to were marked "Exhibits 72-A, 72-B, 72-C, 72-D, 72-E and 72-F" for reference and will be found in the appendix on pp. 1401-1406.)

Mr. KENNEDY. Was there any arrangement in the union for union members to come in and use those boxes?

Mr. BREWSTER. A lot of union members used them.

Mr. KENNEDY. What kind of an arrangement was it so that a union member who came by could use that box?

Mr. BREWSTER. All there had to be was a seat vacant.

Mr. KENNEDY. Did you send out a letter to all union members?

Mr. BREWSTER. No, I didn't send out a letter.

Mr. KENNEDY. What was the procedure followed for union members?

Mr. BREWSTER. The procedure was they would ask myself or ask the trainer. I left the passes and so forth with the trainers, so that if any union member asked, or any employer asked, or if I sent any employer, if an employer asked me, and there were many, many employers that sat in those boxes when we were down for conferences and so forth. That was a general procedure. They wanted to go to the races, and they asked me and I had the boxes for them.

As far as myself is concerned, I think that people try to think that I am around the racetrack all the time, which I am not. I do my work. I don't occupy those boxes as much as probably somebody would make you think.

Mr. KENNEDY. Any teamster member could come to the track? Then what would he do, come up and say, "I am a teamster, can I get into Frank Brewster's box"?

Mr. BREWSTER. Yes, he might do that, and I think he would get in there, if there wasn't somebody already sitting in it, some other teamster.

Can I explain? I don't know why you didn't get this one, but we got a baseball—

Mr. KENNEDY. Wait.

Mr. BREWSTER. Maybe I shouldn't give you too many leads. You got too many now.

But we have a baseball box that we have had for 20 years in the city of Seattle, and it is made out, you know, that my secretary gives out the tickets at night. Many, many a time I had to go out and go and get a seat myself some other place. Unless I got out real early I never

got a seat. And they were full of teamster members. If we had advertised it, I think there would have been a riot.

Mr. KENNEDY. What about the Los Angeles Turf Club? Can any teamster in the Los Angeles area come out and get a seat in the box?

Mr. BREWSTER. If there was one vacant, you bet he could.

Mr. KENNEDY. Was that understood among all teamsters in Los Angeles?

Mr. BREWSTER. We didn't send a bulletin out to that effect, because if we had there would have been a riot.

Mr. KENNEDY. And the Hollywood—

Mr. BREWSTER. The same on all of them.

Mr. KENNEDY. Did they know that you had those boxes and that they would be welcome?

Mr. BREWSTER. By the amount of people that asked me, I think they all knew it.

Mr. KENNEDY. Amongst the teamsters generally, they knew—

Mr. BREWSTER. That I had boxes there, and that if there was a seat vacant, it was there.

Mr. KENNEDY. And Delmar?

Mr. BREWSTER. Sure. We have a big membership in Delmar.

Mr. KENNEDY. And they are welcome to come to the box?

Mr. BREWSTER. You bet they are. I like their company.

Senator MUNDT. Business is likely to pick up after these hearings.

Mr. BREWSTER. Well, maybe the track will like it, too.

Senator GOLDWATER. How big a membership do you have in Delmar?

Mr. BREWSTER. In San Diego?

Senator GOLDWATER. I thought you said Delmar.

Mr. BREWSTER. Well, it is a part of the San Diego membership. In Delmar proper?

Yes, we have members of the teamsters union that are employed at Delmar, I think, that would reach at about 350. I am making a rough guess, but I think that is what they would have to employ from our jurisdiction. You see, we haul all the feed in and then when it becomes manure we haul it out, and we check all of the gates, and we have the people, the users, et cetera.

Senator GOLDWATER. Do you have a local in Delmar?

Mr. BREWSTER. Not a local, but we have a representative that checks Delmar daily.

Mr. KENNEDY. I would like to ask you if you would identify this check for me, paid to the order of local 174, special fund, for \$4,000.

The CHAIRMAN. The Chair presents to the witness a photostatic copy of a check and asks him to examine it and see if he can identify it.

(Document handed to witness.)

(The witness conferred with his counsel.)

Mr. BREWSTER. Do you want to know—

Mr. KENNEDY. Do you identify the check?

Mr. BREWSTER. Yes, I identify the check.

Mr. KENNEDY. Your name appears on it?

Mr. BREWSTER. Yes.

Mr. KENNEDY. Would you give the committee the names that appear on it?

Mr. BREWSTER. C. O'Reilly and F. W. Brewster.

Mr. KENNEDY. What was the date of the check?

Mr. BREWSTER. February 27, 1951. It looks like it could be 1911, but that is a little too far back.

Mr. KENNEDY. What?

Mr. BREWSTER. 1951, I believe. It looks like that.

Mr. KENNEDY. What was your position at that time?

The CHAIRMAN. Who was the check made payable to?

Mr. BREWSTER. "Local 174, special fund."

Mr. KENNEDY. What was your position at that time, in 1951?

Mr. BREWSTER. I was secretary-treasurer of 174.

Mr. KENNEDY. Of local 174?

Mr. BREWSTER. Yes, sir.

Mr. KENNEDY. Local 174 is in Seattle, Wash.

Mr. BREWSTER. It is.

The CHAIRMAN. That check may be made exhibit 73.

(The document referred to was marked "Exhibit No. 73" for reference and will be found in the appendix on p. 1407.)

Mr. KENNEDY. Would you tell us about that check? Did you authorize the issuance of that check?

Mr. BREWSTER. What do you want to know about the check?

Mr. KENNEDY. Did you authorize the issuance of that check?

Mr. BREWSTER. I did.

Mr. KENNEDY. You did?

Mr. BREWSTER. Yes.

Mr. KENNEDY. What was the purpose?

Mr. BREWSTER. I don't know that particular check. Wait a minute. I know what the special fund was.

Mr. KENNEDY. What was the purpose, first, of that check?

Mr. BREWSTER. That was for political funds.

Mr. KENNEDY. For political funds?

Mr. BREWSTER. Yes, sir.

Mr. KENNEDY. How was that to be spent, that \$4,000?

Mr. BREWSTER. To be spent on candidates. C. O'Reilly was in full charge, authorized by the executive board.

Mr. KENNEDY. What was he supposed to do with the money?

Mr. BREWSTER. At that time, we gave all political donations, State, local, and county, in cash, and O'Reilly was the one that put out the cash.

Mr. KENNEDY. Is there anything in your books to indicate to whom that money went?

Mr. BREWSTER. No, there isn't.

Mr. KENNEDY. What would prevent Mr. Claude O'Reilly or Mr. Frank Brewster taking the \$4,000 and sticking it in their pocket?

Mr. BREWSTER. Because I don't believe they are that kind of people.

Mr. KENNEDY. What would prevent Mr. Frank Brewster taking the \$4,000 and using it to purchase or pay for some of his personal bills?

Mr. BREWSTER. That never was the purpose, and that has always been handled that way, and we have changed that entire system in about the middle of 1953.

Mr. KENNEDY. Did you make any accounting to anyone in your books as to how you spent the money?

Mr. BREWSTER. I don't remember any accounting on it.

Mr. KENNEDY. Can you give us or give the committee any accounting as to whom this money went from this special fund?

Mr. BREWSTER. No, I can't.

Mr. KENNEDY. Is there such a thing as a special fund? Is there such a fund as a special fund in the bank, or any place?

Mr. BREWSTER. I believe there was.

Mr. KENNEDY. Well, Mr. Brewster, we have checked and found that there is no such fund as a "Local 174, special fund" in the bank. It does not exist.

What bank was it in?

Mr. BREWSTER. I thought it was in the Seattle First National.

Mr. KENNEDY. We have checked and they state that there is no such account as the "Local 174 special fund."

Mr. BREWSTER. That is in 1951, isn't it?

Mr. KENNEDY. Yes. We asked for that, 1951.

Well, now, out of that fund, Mr. Chairman, from the years 1950 through 1953, there came \$99,999.65.

The CHAIRMAN. How much?

Mr. KENNEDY. \$99,999.65.

Can you give the committee any explanation as to how any of that money was spent?

Mr. BREWSTER. I cannot, because I did not handle it.

Mr. KENNEDY. You were the secretary-treasurer?

Mr. BREWSTER. I was the secretary-treasurer.

Mr. KENNEDY. You signed the checks?

Mr. BREWSTER. I signed the checks, but O'Reilly had full authority to handle all of that money.

Mr. KENNEDY. You cannot give this committee any explanation as to how just under \$100,000 was spent for the years 1950 through 1953, Mr. Brewster?

Mr. BREWSTER. I cannot. But I would like to see the figures so that I could—

Mr. KENNEDY. Will you deny that any of that money was spent to pay your personal bills or to make a downpayment on any of your homes, or any of the furnishings in your homes?

Mr. BREWSTER. I do not—I have not at any time received any of that money for my personal use.

Mr. KENNEDY. Was any of that money spent to pay any of your personal bills?

Mr. BREWSTER. No; none of that money was made to pay my personal bills.

Mr. KENNEDY. You are absolutely sure of that?

Mr. BREWSTER. As sure as I can remember.

Mr. KENNEDY. Would you not remember if money was coming out of the union funds to pay your personal bills?

Mr. BREWSTER. I presume I would.

Mr. KENNEDY. Will you deny that that \$4,000 check that I just showed you was not used to pay some of your personal bills?

Mr. BREWSTER. I would not deny it or affirm it. I don't know what you are leading up to, but if you will tell me, maybe I can help you.

Mr. KENNEDY. I will try to.

The CHAIRMAN. Let us get it in a proper perspective. Over what years was this account, this special account, funds withdrawn to the amount of \$99,999.65?

Mr. KENNEDY. From June 1950, Mr. Chairman, to November 1953.

The CHAIRMAN. Is that record taken from the bank's records?

Mr. KENNEDY. These are from the records that have been made available, Mr. Chairman, from local 174.

The CHAIRMAN. Local 174.

Mr. BREWSTER. Is it not a much longer time than that?

Mr. KENNEDY. We could not get the records for the rest of the time. I believe.

The CHAIRMAN. How long has this special account or special fund been in existence?

Mr. BREWSTER. It is not in existence since 1953.

The CHAIRMAN. Since when?

Mr. BREWSTER. Since 1953.

The CHAIRMAN. Prior to 1953 how long was it in existence, if it ever existed?

Mr. BREWSTER. I would say, roughly speaking, about 10 years.

The CHAIRMAN. About 10 years. Was approximately the same amount drawn out for the other periods as for this period, for 1950 to 1953, in the amount of \$99,999.65?

Mr. BREWSTER. No; I don't think so. Those figures—I don't know what checks or figures they got them from. I am going to have to recheck that one, too.

The CHAIRMAN. This sounds like a lot of money for working people. Do you mean you cannot give any accounting of this money, where it went?

Mr. BREWSTER. That was handled by Claude O'Reilly.

The CHAIRMAN. I know, but you were secretary and treasurer. You are supposed to know where it goes. Do you mean to say you did not know?

Mr. BREWSTER. I did not know.

Mr. KENNEDY. I might say, Mr. Claude O'Reilly is dead now; is that right?

Mr. BREWSTER. Yes; he is dead now.

Senator MUNDT. Is it your position, Mr. Brewster, that all \$99,000 of this was spent for political purposes in Seattle?

Mr. BREWSTER. And the State of Washington.

Senator MUNDT. \$99,000. That is just one campaign year, I presume. 1951 to 1953. You spent \$99,000 in the State of Washington for political purposes in the campaign of 1952?

Mr. BREWSTER. It sounds like a big figure, but spread over everybody that knocks at your door, it isn't too much.

Senator MUNDT. Do you support everybody who knocks at your door?

Mr. BREWSTER. Most everyone. We ride a couple of horses in the race once in awhile.

Senator MUNDT. You said you changed the system in 1953. How did you change it?

Mr. BREWSTER. I changed it so that there should be either donations to the individual himself—if he didn't want to take a check, he would not get any—or through the county committees or the State committees, or either Republican or Democrat.

Senator MUNDT. You mean you changed it so that, instead of putting the money out in cash, you put it out in check; is that what you are telling us?

Mr. BREWSTER. That is absolutely right.

Senator MUNDT. Why did you change it?

Mr. BREWSTER. Because I didn't think this system was very good.

Senator MUNDT. What had you found wrong with it?

Mr. BREWSTER. Because there wasn't any special accounting of it.

Senator MUNDT. How did you happen to start handing it out in cash? Were your candidates disinclined to take a check?

Mr. BREWSTER. You bet they were.

Senator MUNDT. They wanted the cash?

Mr. BREWSTER. Most of them.

Senator MUNDT. Why do you suppose they wanted it in cash?

Mr. BREWSTER. Well, they probably didn't want to say they had the backing of the teamsters, on one hand, and wanted to——

Senator MUNDT. In other words, they were not supporting you, were they?

Mr. BREWSTER. I wouldn't say that.

Senator MUNDT. That must have been. They would have found it out in the report.

Mr. BREWSTER. I think possibly that they probably didn't want our names on checks.

Senator MUNDT. Well, when they report it, they have to report its source. If they report it, they have to report it from the teamsters.

Mr. BREWSTER. That would be up to those individuals, I wouldn't pass judgment on that.

The CHAIRMAN. Mr. Brewster, you have identified a check signed by yourself and Mr. O'Reilly dated February 27, 1951, payable to the order of "local 174 special fund," \$4,000, drawn on the Seattle First National Bank.

I hand you another check, a photostatic copy of a check, with the same date, from the same bank, in the amount of \$4,000 made to Palm Desert Properties Corp., with your initials, F. W. B., written on it, drawn on the Seattle First National Bank. It appears to be a cashier's check. Will you examine this check and see if you identify it?

(Document handed to witness.)

The CHAIRMAN. Say whether you received that money.

(The witness conferred with his counsel.)

Mr. BREWSTER. I don't recall this transaction at the present time. I am going to have to have time to refresh my memory.

The CHAIRMAN. You identify that as a check with your initials on it?

Mr. BREWSTER. That is a check with my initials on it.

The CHAIRMAN. It is the same date as the other one. It is the same date as exhibit No. 73 about which you just testified?

Mr. BREWSTER. Yes, that is the same date.

The CHAIRMAN. That check will be made exhibit No. 74.

(The document referred to was marked "Exhibit No. 74," for reference and will be found in the appendix on p. 1408.)

Mr. KENNEDY. To whom is that made payable, that check?

Mr. BREWSTER. Palm Desert Properties Corp.

Mr. KENNEDY. Have you had any business transactions with that corporation?

Mr. BREWSTER. Yes. I had a place down there at one time.

Mr. KENNEDY. And did you make a downpayment about the same time that that check was written?

Mr. BREWSTER. I don't recall when I made the downpayment.

Mr. KENNEDY. You do not recall that? Did you make a downpayment on a home in March of 1951 for \$4,000 to the Palm Desert Corp.?

Mr. BREWSTER. Made out a check myself?

Mr. KENNEDY. No. That check there.

Mr. BREWSTER. I don't remember.

Mr. KENNEDY. Do you know why you have your initials on that check?

Mr. BREWSTER. Initialed the corporation part of it; yes.

Mr. KENNEDY. Can you give any explanation for that check?

Mr. BREWSTER. Not at the present time. I am going to have to look and think about it. It is 6 years ago.

Mr. KENNEDY. But you purchased a home in Palm Desert at that same time?

Mr. BREWSTER. Yes. I borrowed the money to do it.

Mr. KENNEDY. And you made a downpayment of \$4,000?

Mr. BREWSTER. I don't know that. I said I would have to refresh my memory on the entire transaction.

Mr. KENNEDY. You do not recall?

Mr. BREWSTER. I don't recall the downpayment or anything else.

The CHAIRMAN. Did not Mr. C. O'Reilly make the purchase of that cashier's check for you for this property? I hand you here another photostatic document of the purchase application for this certified check, the cashier's check.

(Document handed to witness.)

The CHAIRMAN. Examine that and see if you identify that as his signature.

(The witness conferred with his counsel.)

Mr. BREWSTER. I am going to have to check, too, with this.

The CHAIRMAN. That is O'Reilly's signature, is it not?

Mr. BREWSTER. No; it is not.

The CHAIRMAN. Whose is it?

Mr. BREWSTER. Is it the bank's?

Mr. KENNEDY. It is the name of the purchaser, I believe.

Mr. BREWSTER. C. O'Reilly.

The CHAIRMAN. It shows that it was purchased by Mr. O'Reilly?

Mr. BREWSTER. That is what it shows here; yes.

The CHAIRMAN. That may be made exhibit No. 75.

(The document referred to was marked "Exhibit No. 75" for reference and will be found in the appendix on p. 1409.)

Mr. KENNEDY. Mr. Chairman, Mr. Hester Wood, who is the former comptroller of the Palm Desert Corp., and who is presently manager of the Palm Desert Water Co., still has the records of the Palm Desert Corp., which he is sending us, and these show the following payments by Frank Brewster: On March 7, 1951, a downpayment of \$4,000 was made.

The CHAIRMAN. Let us see that photostatic copy of the check. Did it go through that corporation? The endorsement on the back of it, of exhibit No. 74, the cashier's check, has: "Pay to the order of Desert Bank, Cathedral City, Calif., for deposit only, Palm Desert Water Co., Palm Desert Corp., Post Office Box 1, Palm Desert, Calif." Can you tell the date this check was deposited?

Mr. KENNEDY. March 7, Mr. Chairman.

The CHAIRMAN. Does that show on the check?

Mr. KENNEDY. It was charged at the bank on March 12.

The CHAIRMAN. In other words, it got back to the Seattle First National Bank on March 12; is that correct?

Mr. KENNEDY. Yes.

Mr. Chairman, we have traced this check of \$4,000 that was purchased. A cashier's check was purchased by Mr. Claude O'Reilly. We have traced that down to the Palm Desert Corp., and it is one and the same check as the \$4,000 downpayment that was made by Frank Brewster for that home.

Mr. GRIFFIN. Mr. Chairman, I want to object to the counsel making statements. He has a right to get his information by questioning, or he can use his affidavits.

The CHAIRMAN. That statement will not be considered as evidence. We will produce the witnesses if necessary. But we are doing this to help Mr. Brewster make any statements he wants to in clarification so he can better answer.

Mr. BREWSTER. Don't help me too much.

The CHAIRMAN. Sir?

Mr. BREWSTER. I appreciate that.

The CHAIRMAN. That is the information—Mr. Brewster—

Mr. BREWSTER. I am not used to this kind of help.

The CHAIRMAN. Just a moment. That is the information that the committee has. You make any comments about it that you like. Is it true or not true?

Mr. BREWSTER. I have no comments at the present time, but I am positive that I will have an answer for you.

The CHAIRMAN. All right. We will be waiting. Go ahead.

Mr. KENNEDY. Mr. Chairman, to finish that transaction, that was \$4,000 paid down at that time for the first payment. Then there was a payment on March 31, 1951, for \$1,432.80.

Would you correct me if I am wrong in any of these figures?

Mr. BREWSTER. I haven't anything to correct you with.

(At this point, Senator Ervin withdrew from the hearing room.)

Mr. KENNEDY. And April 28, 1951, another \$7,600 was paid.

The CHAIRMAN. You may state this according to the information that the committee has, so that it will enable Mr. Brewster to check against this information, and, if it is in error, we want to know it. If it is not in error, these facts should be established. Proceed.

Mr. KENNEDY. Then on September 27, 1951, according to our information, another \$2,150 was paid, making a total of \$15,182.82.

Mr. BREWSTER. I borrowed \$15,000 to build that home from—

Mr. KENNEDY. We have established definitely that the \$7,600 payment came out of your bank account, came from your own personal fund.

Mr. BREWSTER. Did you find out where the \$15,000 went in there, too?

Mr. KENNEDY. Yes.

Mr. BREWSTER. I win a point.

Senator MUNDT. You stopped. You said you borrowed \$15,000 from—and then you stopped.

Mr. BREWSTER. From a gentleman by the name of William Edris.

Senator MUNDT. Is he connected with the teamsters' union?

Mr. BREWSTER. No.

Senator MUNDT. He is a personal friend?

Mr. BREWSTER. Yes, sir. I borrowed 25, altogether, at that period of time.

Mr. KENNEDY. What is Mr. Edris' business?

Mr. BREWSTER. He is a retired businessman.

Mr. KENNEDY. What was his business?

Mr. BREWSTER. He owned the Olympic Hotel in Seattle; he owned the Dennison Foods Corp.; he had considerable stocks and bonds. He was quite a man around Seattle.

Mr. KENNEDY. Did he have anything to do with the race wire in Seattle?

Mr. BREWSTER. You will have to ask Mr. Edris.

Mr. KENNEDY. Did you ever hear that?

Mr. BREWSTER. I wouldn't comment on it. I don't know whether he did or whether he didn't.

Mr. KENNEDY. Let me ask you, from your personal knowledge or information, did he have anything to do with the race wire in Seattle?

Mr. BREWSTER. My personal information, my personal information, I don't know whether he did or not.

Mr. KENNEDY. Did you ever hear that he had?

Mr. BREWSTER. I don't believe too much in hearsay. I might have heard. But do you know how long that has been?

Mr. KENNEDY. No, Mr. Brewster.

Mr. BREWSTER. You should go back quite a ways, then.

Mr. KENNEDY. You have no comment on that? You don't know anything about that?

Mr. BREWSTER. No, I have no comment on it.

Mr. KENNEDY. Could you tell us where the \$1,432.80 came from, where that money came from?

Mr. BREWSTER. I don't. I got to check on this transaction. It is 1951. It is the same as the other. I don't know at the present time. You said where the other went, and that showed where it went.

Mr. KENNEDY. Would you then check all of those figures and let us know what the explanation is? We are particularly interested in—

Mr. BREWSTER. You are going to have to excuse me sometime so that I can do this. I have been around here for my third week.

Mr. KENNEDY. I asked your lawyer, Mr. Griffin, about 2 weeks ago, and I said that they wanted to go over some of these transactions with you. That prepared you for the committee hearing. You could have been looking them up then.

Also, could you try to find out, or see if you could shed any more light on the \$99,999.65?

Mr. BREWSTER. I will try, yes.

Mr. KENNEDY. Is there anybody in your organization that would know where that money went, Mr. Brewster?

Mr. BREWSTER. I don't know whether there would be at the present time. There was a secretary at that time that is not with us at the present time. She is over in Japan. I hated like everything to say that, because I thought that it would draw a laugh.

Mr. KENNEDY. What is her name?

Mr. BREWSTER. Her name that I always remember was Peggy Thayer.

Mr. KENNEDY. Then did she get married and become Peggy Thayer Agapoff?

Mr. BREWSTER. Yes. That is the name. I always forget the Agapoff, or whatever it is.

Mr. KENNEDY. Were there any books kept at all as to where any of this money was going when the checks were going, that you know of?

Mr. BREWSTER. That would have been probably a bookkeeping transaction, and I don't know whether there was or not.

Mr. KENNEDY. How were you going to make an accounting to the membership of that union on this \$99,000?

Mr. BREWSTER. I don't know. I am going to——

Mr. KENNEDY. Do you think they are entitled to an accounting for the \$99,000 of their dues?

Mr. BREWSTER. Well, my opinion on the moneys that we spent for our political campaigns and so forth, they got it in wage scales. I think that we were able to keep down bad legislation, and so forth, that was cropping up. I believe, whether it looks big or small, when it is spread over, I honestly believe that the wage scales and the wage agreements reflect what was spent. I do know this, and I will make it as a positive statement, that we spent money, and I believe that in 90-some percent of the instances it was spent very well and it reflected in something that I have been fighting for for years, good wages, working conditions, and I was the originator of health and welfare in labor organizations on the west coast and also the pensions.

Mr. KENNEDY. Do you think it is a good situation where you and Mr. O'Reilly can determine where such large sums of money are going to be spent without having to make any kind of an accounting to the membership?

Mr. BREWSTER. Well, I believe that those things are done in other businesses, and so forth.

Mr. KENNEDY. That you could spend this large a sum of money without making an accounting to anyone?

Mr. BREWSTER. I think so, and along this field I believe so.

Mr. KENNEDY. Has the membership of local 174 been attempting, at least a group of them, to get an accounting from you, and local 174 officers, as to how the money was spent?

Mr. BREWSTER. There has been a group, yes, a group of about 3 or 4. I think it is easy to get that many in any organization. They haven't any following with them. I will say this, that I think 174, the general organization, is in wonderful shape. Some of this has been explained, and I believe that they are well satisfied with their——

Mr. KENNEDY. Do you think it is in wonderful shape financially when you can come before this committee and not explain at all how \$99,000 was spent, give no explanation at all how \$99,000 was spent?

Mr. BREWSTER. I think we got results in wage scales.

Mr. KENNEDY. Particularly when we find that \$4,000 of that money ended up in the purchase of your home in Palm Springs?

Mr. BREWSTER. I am not too positive that that wasn't paid back. If you will go on further, you will find out that I paid——

Mr. KENNEDY. Go ahead.

Mr. BREWSTER. I didn't want to have you getting information in both ears.

Mr. KENNEDY. Go ahead.

Mr. BREWSTER. I think, and I want to check on it, that that has probably been corrected.

Mr. KENNEDY. What has been corrected?

Mr. BREWSTER. Well, I say, if that is what it was. I don't know whether it was or not. But I want to check on it. I don't want to make statements here, and I don't want you to try to lead me to a statement. I don't want to be led into a statement. I am checking on it and I will check it again.

Mr. KENNEDY. If you cannot remember the original business transaction, how can you remember that you paid it back?

Mr. BREWSTER. I might have something that would show it.

Mr. KENNEDY. Where would you? Would that be in your personal books and records?

Mr. BREWSTER. I am not sure where it would be, but I am going to look everywhere.

Mr. KENNEDY. Would you make your personal books and records available to the committee so that we could help you look?

Mr. BREWSTER. You are helping me too much now.

Mr. KENNEDY. Would you make your personal—

Mr. BREWSTER. Wait. On my personal books and so forth, I don't want to get into that hassle. I haven't anything to hide on my personal accounts.

Mr. KENNEDY. Would you make those available to us so we could also look through them?

Mr. BREWSTER. Will you give me some time to think that over and consult with my attorneys?

The CHAIRMAN. Yes, sir. We will give you some time.

Mr. KENNEDY. You say that all of this money went to political purposes?

Mr. BREWSTER. To the best of my knowledge.

Mr. KENNEDY. That \$4,000, that particular item was charged on the books as organizational expenses. Can you give us any explanation for that?

Mr. BREWSTER. I cannot.

Mr. KENNEDY. You are at a loss to explain anything about these transactions?

Mr. BREWSTER. At the present time.

Mr. KENNEDY. Mr. Chairman, I have a lot of questions about some of these other items.

Senator GOLDWATER. Mr. Chairman, I have just one question.

The CHAIRMAN. Senator Goldwater has a question. When he concludes with his inquiry, we will take a recess.

Senator GOLDWATER. What was the name of the gas station that you and Mr. Beck operated?

Mr. BREWSTER. It is the Standard Tire Service.

Senator GOLDWATER. How many employees did you have there?

Mr. BREWSTER. How many employees did we have? We do not have any employees.

Senator GOLDWATER. At the Standard Tire?

Mr. BREWSTER. No. That is leased out to the—that is a gentleman that has about three stations, and that is leased out. We have nothing to do with the employees or anything else. We lease it on a guarantee and a percentage of gas and oil and accessories.

Senator GOLDWATER. Do you know if the workers there are members of a union?

Mr. BREWSTER. Oh, sure.

Senator GOLDWATER. You are sure they were?

Mr. BREWSTER. Well, I don't think I would have patronized them if they weren't.

Senator GOLDWATER. You have established that they were?

Mr. BREWSTER. I know they are members of the union. We have a very strong union in that field in the city of Seattle, and you don't think we would make a lease to a nonunion concern, Mr. Beck and myself.

Senator GOLDWATER. We found one of your organizers who had no compunction about hiring nonunion people. I thought possibly that would carry over to your level.

Mr. BREWSTER. I would like to have his name.

Senator GOLDWATER. Mr. Crosby.

Mr. BREWSTER. Nonunion people?

Senator GOLDWATER. Yes. They built a gameroom for him in his basement.

(The witness conferred with his counsel.)

The CHAIRMAN. Senator McNamara?

Senator McNAMARA. I would like to ask this: In this period of 1951 to 1953 that we have been discussing, can you tell us about how many members you had in local 174?

Mr. BREWSTER. I would say roughly speaking about 6,500.

Senator McNAMARA. 6,500?

Mr. BREWSTER. Yes, sir.

Senator McNAMARA. And this \$100,000 that is in question in the special fund was contributed by these 6,500 members by way of dues? Did you have any other source of funds for this special fund?

Mr. BREWSTER. No assessments, Senator.

Senator McNAMARA. No assessments?

Mr. BREWSTER. No.

Senator McNAMARA. That would mean that all of the money came out of dues?

Mr. BREWSTER. That is right.

Senator McNAMARA. How much do the members pay in dues in local 174?

Mr. BREWSTER. \$5 a month.

Senator McNAMARA. \$5 a month? You are putting a large percentage of your income into this special fund, then, are you not?

Mr. BREWSTER. Sir?

Senator McNAMARA. You are putting quite a large percentage of this income into this special fund at that rate.

Mr. BREWSTER. I wouldn't say so.

Senator McNAMARA. 6,500 members, \$15 per month?

Senator MUNDT. It is \$15 per member, Mr. Brewster, that was taken out for political purposes. That is quite a contribution for each individual union man involuntarily to have to make to a campaign to support candidates whose names he does not know.

Mr. BREWSTER. \$15 over a period of 4 years, Senator?

Senator MUNDT. 1951 to 1953, in one campaign.

Mr. BREWSTER. Didn't it start in 1950? June of 1950.

Mr. KENNEDY. June of 1950. That is the only period where the books were made available, Senator Mundt.

The CHAIRMAN. Are there any further questions?

The committee will stand in recess until 2 o'clock.

(Members present at the taking of the recess: The chairman, Senators McNamara, Mundt, and Goldwater.)

(Whereupon, at 12:20 p. m., the committee recessed, to reconvene at 2 p. m., the same day.)

AFTERNOON SESSION

(The hearing was resumed at 2 p. m., Senator John L. McClellan, chairman, presiding.)

The CHAIRMAN. The committee will be in order.

(Present at the convening of the session were Senators McClellan, Ives, and Goldwater.)

The CHAIRMAN. The chief counsel thinks at this point we should interrupt the testimony of Mr. Brewster and place on the stand Mr. Bellino, the accountant for the committee, who has checked these records, so that he might give some testimony at this point that would help to clarify and keep the record straight so that we can understand this as we proceed further.

You do solemnly swear that the evidence you shall give before this Senate Select Committee shall be the truth, the whole truth, and nothing but the truth, so help you God?

Mr. BELLINO. I do.

TESTIMONY OF CARMINE S. BELLINO

The CHAIRMAN. Please state your name and your place of residence and your business or occupation?

Mr. BELLINO. My name is Carmine S. Bellino, I reside in Bethesda, Md., and I am a certified public accountant.

The CHAIRMAN. How long have you been practicing as a certified public accountant?

Mr. BELLINO. I have been a certified public accountant since 1932.

The CHAIRMAN. What position do you hold with this committee?

Mr. BELLINO. I am the accountant consultant.

The CHAIRMAN. How long have you been working for the Senate Permanent Committee on Investigations?

Mr. BELLINO. I have been with the Senate Permanent Investigations Committee and other congressional committees since 1947.

The CHAIRMAN. You have been doing work in connection with this present investigation?

Mr. BELLINO. Yes, sir.

The CHAIRMAN. This investigation being conducted by this select committee?

Mr. BELLINO. Yes, sir.

The CHAIRMAN. All right, Mr. Counsel.

Mr. KENNEDY. Prior to 1947, what work were you doing?

Mr. BELLINO. I was with the Federal Bureau of Investigation for 11 years.

Mr. KENNEDY. Prior to the time you started working as an investigative consultant for congressional committees; is that right?

Mr. BELLINO. Yes, sir.

Mr. KENNEDY. So you have been in investigative work for a period of about 20 years?

Mr. BELLINO. Since 1934.

Mr. KENNEDY. Thank you. Now you have been to Seattle and you made a study of the special fund, local 174 special fund, that we discussed this morning.

Mr. BELLINO. We examined the records of local 174 which included checks drawn to an account called local 174, special fund.

Mr. KENNEDY. Now, did you have discussions with the officers and officials of the bank, Seattle First National Bank, is that right?

Mr. BELLINO. Included in our subpoena were documents of all records relating to local 174 and they did not come up with any records of local 174, special fund. They said there was no such account by that name in their bank.

Mr. KENNEDY. There was no such account by that name?

Mr. BELLINO. No, sir.

Mr. KENNEDY. In that bank?

Mr. BELLINO. No, sir.

Mr. KENNEDY. Is that correct?

Mr. BELLINO. Yes, sir.

Mr. KENNEDY. What is the practical effect when the checks for approximately \$99,999.65 were written? What was the practical effect?

Mr. BELLINO. It was just like drawing a check to cash. They could just as well have said, "Pay to order of cash," and cashed the check.

Mr. KENNEDY. Now, of the checks that you have reviewed, were they turned into either cash or into cashiers' checks?

Mr. BELLINO. Those that we have examined are all either cashed at local 174 with their own cash funds, or then deposited in the bank, or cashed at the bank.

Mr. KENNEDY. Did you make a study extensively of this \$4,000 check that we discussed this morning?

Mr. BELLINO. Yes, sir.

Mr. KENNEDY. And that was signed originally by Mr. Claude O'Reilly and Mr. Frank Brewster; is that right?

Mr. BELLINO. Yes, sir.

Mr. KENNEDY. Frank Brewster at that time was secretary-treasurer of local 174?

Mr. BELLINO. I believe so; yes, sir.

Mr. KENNEDY. And the check was made out from the bank accounts of local 174, the regular bank account?

Mr. BELLINO. Drawn on the Seattle First National Bank.

Mr. KENNEDY. And made to this special fund?

Mr. BELLINO. Yes, sir.

Mr. KENNEDY. Would you trace for the committee what happened to that check, as there seemed to be some question about it?

Mr. BELLINO. With that check, Mr. O'Reilly purchased a bank check at the Seattle First National Bank payable to the Palm Deserts Corp., at Palm Springs. That check was then turned over to the Palm Deserts Corp., deposited in their bank account and used as a payment against the home purchased by Mr. Brewster in Palm Springs.

Mr. KENNEDY. Now, there is no question about that whatsoever: is that right?

Mr. BELLINO. No, sir.

Mr. KENNEDY. Is there any way to tell from the books of local 174 who received these moneys, this 99,000?

Mr. BELLINO. No, sir.

Mr. KENNEDY. Is there no way of telling at all who actually received the money and who got the money?

Mr. BELLINO. No one other than whoever signed the checks, either one or the other that signed the checks.

Mr. KENNEDY. Either Frank Brewster or Claude O'Reilly?

Mr. BELLINO. Yes, sir.

Mr. KENNEDY. Did they have to endorse the check on the back, then?

Mr. BELLINO. They would be endorsed or typed. Sometimes it would be typed on the back, "Local 174, special fund," and then it would be cashed through the regular account of local 174.

Mr. KENNEDY. Is there anything in the books that indicates that this money went to any political figures?

Mr. BELLINO. No, sir.

Mr. KENNEDY. There is not?

Mr. BELLINO. No, sir.

Mr. KENNEDY. Now, this \$4,000, what account was that charged against?

Mr. BELLINO. That was charged to organization expenses.

Mr. KENNEDY. And this \$4,000 that was charged as organization expenses on local 174 went as a downpayment for Frank Brewster's home at Palm Springs?

Mr. BELLINO. Yes, sir, and it was so included in the form 990 filed with the Treasury Department, as an item for organizational expense.

Mr. KENNEDY. What is that?

Mr. BELLINO. Form 990 is an annual report filed by the local unions, they being exempt institutions. They file these reports each year.

Mr. KENNEDY. With the Treasury Department?

Mr. BELLINO. Yes, sir.

Mr. KENNEDY. And that was listed in that form 990 as an organizational expense?

Mr. BELLINO. Yes, sir.

Mr. KENNEDY. Now, you have been through some of the other checks that were drawn to this special fund account, have you not?

Mr. BELLINO. Yes, sir.

Mr. KENNEDY. For instance, in June, check No. 11437 for \$3,800. Is there any explanation in the books as to what happened to that check?

Mr. Chairman, most of these checks we do not have. We have just taken this from the books of local 174. Those checks as I understand, have been destroyed, is that right?

Mr. BELLINO. A good number of them were. Some of the later ones were not but they refused to give us photostats when we asked for them recently, claiming that they had lost them. But with regard to the—

The CHAIRMAN. Is that the bank now?

Mr. BELLINO. No, this is the local union.

The CHAIRMAN. They claim they have lost them?

Mr. BELLINO. Yes, sir, but we noticed what was developing and we asked for photostatic copies of all of the special fund checks and we obtained 2 or 3 of them and then the balance they claimed they could not find.

The CHAIRMAN. Do you know how many checks were written to bring this total up to \$99,999?

Mr. BELLINO. Yes, sir.

The CHAIRMAN. Have you a record of the number of checks?

Mr. BELLINO. We have each check, starting in June of 1950. The books were not available prior to June and there may be considerable more prior to June of 1950, and the items that we know about, I believe, Mr. Kennedy has a list of there.

Mr. KENNEDY. There were 26 checks.

The CHAIRMAN. 26 checks made up this total of \$99,999?

Mr. BELLINO. Yes, sir.

The CHAIRMAN. Go ahead.

Mr. KENNEDY. But there is nothing in the books that would indicate where the money went?

Mr. BELLINO. No, sir. With regard to the \$3,800 item that you asked about, the books merely show the check number of 11437, issued during June of 1950, drawn to the order of "Local 174, Special Fund." \$3,800, shown in the other column.

There is no other explanation.

Mr. KENNEDY. And the same thing is true for the rest of the 20-odd checks.

Mr. BELLINO. On some of the others they would have a notation, "Organization expense," or "Reimbursement for organization expense."

Mr. KENNEDY. But there is nothing about the fact that they went to any political figure?

Mr. BELLINO. No, sir.

Mr. KENNEDY. Or that there was a political expense?

Mr. BELLINO. No, sir.

Mr. KENNEDY. There is nothing in the books to indicate that?

Mr. BELLINO. No, sir.

The CHAIRMAN. Are there any questions?

(At this point in the proceedings Senator McCarthy entered the hearing room.)

The CHAIRMAN. Mr. Brewster, come around, please.

TESTIMONY OF FRANK W. BREWSTER, ACCOMPANIED BY HIS COUNSEL, JERRY N. GRIFFIN AND JOHN K. PICKENS—Resumed

Mr. KENNEDY. I take it that in the noon hour you have not been able to find any explanation of the \$4,000 check or this other special fund, is that correct?

Mr. BREWSTER. No, I just had my lunch.

Mr. KENNEDY. You have not been able to?

I want to ask about another bank account that we became interested in and that is the Unemployment Relief Fund. Do you have a bank account called the Unemployment Relief Fund for Local 174?

Mr. BREWSTER. We had an account that we called the Unemployment Relief Fund, and that was for the members, for loans or dona-

tions where they needed it and so forth, and that was always handled by O'Reilly.

Mr. KENNEDY. Now, we had a problem with the Unemployment Relief Fund, also, because when we asked the bank for the Unemployment Relief Fund they did not seem to have that either.

Mr. BREWSTER. I can't understand that and I don't know that.

(At this point in the proceedings, Senator Kennedy entered the hearing room.)

Mr. KENNEDY. Now, the moneys that went into that bank account or came out that were made out from Local 174 to the Unemployment Relief Fund, from 1950 through 1953, was approximately \$60,000.

Is there any explanation as to where that money went?

Mr. BREWSTER. I think it went for unemployed relief, the same as it is designated.

Mr. KENNEDY. To whom did the money go and who was the recipient of the \$60,000?

Mr. BREWSTER. Different members of the organization.

Mr. KENNEDY. Is there any place in any of your books that you could give us the names of anybody who received that money?

Mr. BREWSTER. I understood at the time that they would sign for whatever they got. Now, that, Mr. Kennedy, is a bookkeeping procedure and I was of the opinion that they would sign those. Did you hear what I said?

Mr. KENNEDY. That you were under the understanding that that is what the procedure was?

Mr. BREWSTER. That is what I thought.

Mr. KENNEDY. We again went to the bank to try to locate this Unemployment Relief Fund bank account and the bank stated that there was no such fund.

Mr. BREWSTER. Well, I think that was kept in the way of cash, and I think that the cash part of it is kept and I think that that record is around there somewhere.

Mr. KENNEDY. The problem again for us is that we asked for the records dealing with the Unemployment Relief Fund and we were told that there were no records on it.

Mr. BREWSTER. Well, it has only been a short time that the person probably that you talked to has been employed with 174. Prior to the time that you are referring to, there was another bookkeeper and that would be the one that would probably have the information.

The CHAIRMAN. Mr. Brewster, as secretary-treasurer of this local with all of this money being handled, did you ever look at the books and know what was going on?

Mr. BREWSTER. We had trustees——

The CHAIRMAN. I am not talking about trustees.

Mr. BREWSTER. I never looked at the books myself.

The CHAIRMAN. You mean you did not take enough interest in the union funds as secretary-treasurer of it to know what was happening to them and how they were being handled?

Mr. BREWSTER. Certainly I took enough interest but I was satisfied with the reports of the trustees that were elected members that were working on trucks.

The CHAIRMAN. Did you ever see a record of this Unemployment Relief Fund, a book or a record in which entries were made with respect to the distribution of it?

Mr. BREWSTER. I have seen one, yes, sir.

The CHAIRMAN. Where is that book?

Mr. BREWSTER. I don't know where it is. I have seen one, but as I want to say again, I am not the bookkeeper and I don't—

The CHAIRMAN. You do not have to be the bookkeeper. You are a higher official than the bookkeeper, are you not? Do you not have a higher responsibility?

Mr. BREWSTER. I probably have a higher responsibility.

The CHAIRMAN. Is it not your responsibility to see that the book-keeping is done and it is done properly? Is that not your responsibility as secretary-treasurer?

Mr. BREWSTER. I presume it is.

Senator McCARTHY. May I ask a question. I swear I am a bit confused, I believe. I have not been listening to the testimony for some time and I have been out through the country running down some leads which I intend to give over to the chief counsel and the chairman.

But do I understand that there was \$60,000 in the relief fund that was never banked and it was kept some place in cash and paid out and you do not have any books to show who got the money? Is that a correct assumption?

Mr. BREWSTER. Senator McCarthy, my recollection is that there were books and there must be books there somewhere. I hope that they are and that I can find them and present them. I know that there were books set up so that everyone signed, and so forth, and in some instances we had notes for some of them that made loans, and so forth and so on.

Senator McCARTHY. Now, you have had I do not know how many weeks to find those books. I wonder why they have not been found. That is number one. Number two, if I can ask two questions at once, number two: Why on earth was that money not banked and checks made out for the relief fund?

Mr. BREWSTER. I presume they thought it was easier for them to come in and get the cash when they needed it instead of going out to be identified to cash the check.

Senator McCARTHY. But a search has been made for the books?

Mr. BREWSTER. I presume there has. I haven't made any. I have been here for over 2 weeks, Senator, myself.

Senator McCARTHY. I understand that and I understand you have been here for some time.

Mr. BREWSTER. Yes, sir.

Senator McCARTHY. But you have subordinates and you have been in touch with them, I assume, and have you told them to make a search for those books? I would like to know about that \$60,000.

Mr. BREWSTER. I would, too.

Senator McCARTHY. Well, now, the question is, have you told your subordinates to make a search for the books? The books must be some place. They have not disappeared into thin air.

Mr. BREWSTER. Well, as I said before you sat on the committee, that as soon as I am released I am going to spend as many hours as it takes to see that everything that I can unfold will be unfolded and I will dig into the bottom of everything.

Senator McCARTHY. That to me is too general, Mr. Brewster. This afternoon when you get off the stand, is there not some one you can call and say, "Find the books, I want to know where the \$60,000 went"? Is there not some one who is in charge of those books, someone who will know where they are?

Mr. BREWSTER. There is someone in charge of the books since this record that you have, but there isn't anybody there that was in charge of them prior to this.

Senator KENNEDY. Who was in charge of the books then when the money was given out?

Mr. BREWSTER. Peggy Thayer.

Senator KENNEDY. Where is she now?

Mr. BREWSTER. She is in Japan. She married a naval officer, and he was transferred to Japan.

Senator KENNEDY. When she transferred her custody of the record was there any sort of a survey made or was there any sort of record kept as to what books she transferred to your present custodian?

Mr. BREWSTER. I don't remember of any.

Senator KENNEDY. You have no report of what exactly she turned over to the new treasurer?

Mr. BREWSTER. No; I have not.

Senator KENNEDY. Have you written to ask her about these records of the \$60,000?

Mr. BREWSTER. No; I have not.

Senator KENNEDY. And you have no explanation as to why the money was not dispensed through a checking form which would have given you a clear record of who received the money?

Mr. BREWSTER. Other than I thought that they were cashed and they were given cash and signed a receipt. That is what I thought the procedure would have been.

Senator KENNEDY. You have not been in touch with her in the past month since this matter came to a head?

Mr. BREWSTER. No, sir; I don't. I wouldn't know exactly where to get ahold of her.

Senator KENNEDY. Thank you.

The CHAIRMAN. I have just one further question before counsel resumes. Let us establish definitely once and for all whose responsibility it is, to the men who paid the dues, to look after those funds. As secretary and treasurer, are you not the one directly responsible?

Mr. BREWSTER. I believe I am in that sense. I hire a bookkeeper.

The CHAIRMAN. Any bookkeeper that you employ there is under your direction and supervision, is he not?

Mr. BREWSTER. That's true, but my field, if I can explain for a second, is not around the office. It is all over, and I get in there very, very little, and I am a bad bookkeeper myself, and I don't know much about it.

Senator McCARTHY. That is an understatement.

The CHAIRMAN. But I am trying to find out, Mr. Brewster, what sense of responsibility do you feel to the men from whom you collect the dues with reference to disbursing that money and keeping a record of it, so that you can make a proper accounting?

Mr. BREWSTER. I thought that there was.

The CHAIRMAN. You thought there was a record being kept?

Mr. BREWSTER. Yes, sir.

The CHAIRMAN. You cannot be positive of it, though, right now, can you?

Mr. BREWSTER. Well, I am positive that I thought at that time that there was a record.

The CHAIRMAN. You are positive that you thought?

Mr. BREWSTER. Yes, sir.

Senator GOLDWATER. Now, Mr. Brewster, this morning you and Senator Mundt agreed pretty much on the need for responsibility in reporting on union funds; is that not correct?

Mr. BREWSTER. Yes, sir.

Senator GOLDWATER. You agreed that possible legislation should be considered that would set up the machinery whereby labor officials would report the expenditures of funds to the Labor Department; is that not correct?

Mr. BREWSTER. Generally, I think it is.

Senator GOLDWATER. Just as we closed this morning's session, it was developed, and I believe I am correct in this, that \$15 per member went into political uses in 1951 and 1952 and 1953, about a year and a half's time.

This money came from union dues; is that not correct?

Mr. BREWSTER. That is less than \$5 a year; yes, sir.

Senator GOLDWATER. Well, \$15 would represent union dues and special assessments that you might have made for political purposes.

Mr. BREWSTER. We have no special assessments.

Senator GOLDWATER. You have no special assessments for political purposes?

Mr. BREWSTER. No, sir.

Senator GOLDWATER. Now, the membership or the general membership of the union had no say in how that \$15 would be spent, did they?

Mr. BREWSTER. Of who gets what out of it?

Senator GOLDWATER. How you spread it around?

Mr. BREWSTER. I don't believe we take it up with each individual member.

Senator GOLDWATER. In other words, they did not have a say whether you would spend it for a Republican or for a Democrat?

Mr. BREWSTER. We mixed it up a little bit.

Senator GOLDWATER. You are a little different than most of them. They did not have any say on whether it would be spent in support of a certain issue or against it, did they?

Mr. BREWSTER. Oh, yes, we have those meetings where those objectives are taken up and they vote that they will do it, and also finance it.

Senator GOLDWATER. Do you personally think that the individual union member should have some say in which candidate you are going to support or which party you are going to support with this money?

Mr. BREWSTER. Oh, surely.

Senator GOLDWATER. Do you think that it is right for any union to take involuntary dues money and spent it for just one party when the union is made up of members of both?

Mr. BREWSTER. Senator Goldwater, our local union recommended a Republican for the district of Seattle, Mr. Thomas Pelly for Congress. I don't think that we lean entirely in one direction.

Senator GOLDWATER. I am not saying that you do or do not. I do not argue that point. In that case I think that you were doing wrong by the Democrat members of your particular union.

Mr. BREWSTER. I don't think so.

Senator GOLDWATER. You do not think so?

Mr. BREWSTER. No, sir.

Senator GOLDWATER. Do you think that the union has a legal right to take compulsory dues money and spend it for candidates of either party when both parties are represented in that compulsory collection?

Mr. BREWSTER. I believe that the membership has a right to spend the money for any candidate regardless of what his affiliations are.

Senator GOLDWATER. Even though that money is compulsory, and it comes by compulsion from members of both parties and you choose to support the members of only one party?

Mr. BREWSTER. I don't think "particisism" makes the difference.

Senator GOLDWATER. Do you think it is morally right to do that?

Mr. BREWSTER. I certainly do.

Senator GOLDWATER. In an organization that is formed under law for the purposes of collective bargaining and the furthering of the interests of its members in the fields of wages and hours, do you think that that organization then, has a legal right to, in effect, constitute its political party?

Mr. BREWSTER. I think that labor has a right to elect their friends and defeat their enemies.

Senator GOLDWATER. As an organization or by individual members?

Mr. BREWSTER. As an organization that is comprised of individual members.

Senator GOLDWATER. You would agree with the statement that Walter Reuther said on this subject when I questioned him last fall along in October? I said:

One other question. Do you think it would be better for the union member to make his \$5 contribution direct to the candidate or to channel it through your association?

Mr. REUTHER. I think if we did the kind of job that I think we are capable of doing, of trying to get the average American citizen conscious of his citizenship responsibility and making him understand that for every privilege there is a corresponding obligation, and one of the obligations is to make his contribution, I would prefer him to contribute directly to the candidate and directly to the political party.

Would you agree with that?

Mr. BREWSTER. Over a course of several years, that might come true, but isn't at the present time.

Senator GOLDWATER. I wish you would answer me as a responsible labor leader, why it is that certain leaders of labor seem to think that the members of unions have to be educated politically?

Mr. BREWSTER. I think that they are entitled to know the records and the truth of the people that they are running for. I think that that is fair education and I know that they don't get the same break in the press.

I think that is the only medium that they really have, in our periodicals that we put out, that gives them the facts and recommendations.

Senator GOLDWATER. You do not seriously believe that, do you?

Mr. BREWSTER. Just about as serious as I am talking.

Senator GOLDWATER. You think that the press of this country is so biased in one direction that the citizens of this country cannot get an education that they need for political activity?

Mr. BREWSTER. Well, I am not trying to run down the reporters or anything else, but I do say this: That the press certainly leans in one direction to a great degree.

Senator GOLDWATER. I have often been interested in why it is that certain leaders of labor, and not all of them, but some leaders of labor have suddenly felt it necessary to spend millions and millions of dollars upon the so-called education of their membership when their membership probably constitutes the most intelligent bloc of voters we have in this country.

I cannot quite figure it out. You must have some reason other than that.

Mr. BREWSTER. Any reason that I have certainly is not personal, because there isn't any political job that I ever aspired for or wanted in the United States.

Senator GOLDWATER. Would you agree with me that it should be the right of every citizen, whether he belongs to a union or not, whether he belongs to this church or that church or this club or that club to contribute his money the way he wants to contribute it and not have that contribution regulated by somebody who is in charge of the organization?

Would you agree with that?

Mr. BREWSTER. I think fundamentally that I could agree with that.

Senator GOLDWATER. Why can you and I not agree that possibly in the course of our considerations of the actions political of labor unions in the past 10 years, that we might have to get back to the political freedom of your members and consider legislation that would prevent their dues money from being used for political purposes.

Would we not pretty much agree on that?

Mr. BREWSTER. If you could probably take corporations and everybody else in the United States and do the same thing with them, I think it would be all right.

Senator GOLDWATER. I would be in favor of doing that, if corporations are guilty of it.

Mr. BREWSTER. If you treat labor and industry and everyone alike, then I could agree with you.

Senator GOLDWATER. You would agree with that?

Mr. BREWSTER. But I don't think you should single out labor and say they can't do it and then corporations and institutions and everybody else, people that have the wealth, be able to do these things.

Senator GOLDWATER. Just a moment. I agree with you, Mr. Brewster, and you agree with me?

Mr. BREWSTER. Make it across the board and I will agree to it.

Senator GOLDWATER. If we make it across the board, legislativewise, you feel the unions can get out of the field of political activity?

Mr. BREWSTER. I would like to see a day come when there would be no contributions of any kind.

Senator GOLDWATER. I am glad to hear you say that and I think the day has arrived.

Senator McCARTHY. Mr. Brewster, do you not think that it would be an excellent idea if we could get back to the thinking of Samuel

Gompers, who felt that unions should not engage in politics and that the individual members could engage in politics all they cared to?

They can contribute and they can make speeches and they can do whatever they want to, but not have a Democrat here and a Republican there and have his funds channeled someplace where he does not want them channeled.

That is along the lines of Senator Goldwater's question. I know.

Mr. BREWSTER. Senator McCarthy, I was a personal friend of Samuel Gompers and I admired him very much. You have only told a little of the story. One of his regular speeches and so forth stated that we should defeat our enemies and elect our friends.

Senator McCARTHY. But defeat them by the individual action of the members of the labor unions?

Mr. BREWSTER. By education to the membership, and tell them who our enemies were and who our friends were.

Senator McCARTHY. I have no objection whatsoever to your educating the members of labor unions. I think any information you want to put out about who you think are your enemies or your friends. That is good. But I do wonder if you would not agree, and again this is along the lines of Senator Goldwater's question, in view of the fact that corporations cannot make contributions to campaigns, should not the same rule apply to labor unions and let the individual laboring man decide whether he wants to give his money for Joe Doaks or Pat Smith?

Mr. BREWSTER. Are you talking about national campaigns?

Senator McCARTHY. Any campaign, either local, State, or national.

Mr. BREWSTER. Is that so in local campaigns? Can't corporations give to any candidate; that is, in any county or city?

Senator McCARTHY. In my State they cannot and I think that is the general rule all over the country, corporations cannot contribute.

The members of a corporation can contribute. Do you not think the same rule should apply to a labor union and let the individual members decide who they will support and who they will oppose?

As I say, I have no objection to any education that you may want to give them.

Mr. BREWSTER. Senator McCarthy, let me say this: I have got some views maybe, and I listen, and I appreciate all of the information that I am getting. But I am in a position where I represent and work with other leaders. I am a segment of this movement. I would like to give that a lot of thought and not answer it by using snap judgment.

I can see a lot of logic in what you are talking about, but then I want to see what reaction it might have on our organization generally.

Senator McCARTHY. Mr. Brewster, and I do not want to continue this indefinitely, I believe you represent 11 States and I am sure you have given this matter considerable thought.

It is up to us to decide what, if any, legislation is necessary and I just wonder if you would not agree with me that no corporation, no labor union, can contribute funds to a campaign and let us leave it up to the individual to decide whom he thinks he should support and whom he thinks that he should oppose?

Mr. BREWSTER. We are going to have a meeting the latter part of June for all of the delegates that are sent by their local unions to our conference.

I would like to have you come out and address us or any other member of the committee. If you can sell that membership on what you are talking about and so forth, I am not going to try and unsell them.

Senator McCARTHY. Thank you very much.

Senator MUNDT. Mr. Brewster, to be a teamster in Seattle, Wash., it is necessary, is it not, to belong to the teamsters union?

Mr. BREWSTER. Yes, sir; it is.

Senator MUNDT. I am not familiar with the term. Is it a "closed shop"?

Mr. BREWSTER. No; we have a union shop.

Senator MUNDT. You make a contract with the brewery or the bakery or the department store and that contract means that they have to employ only union teamsters?

Mr. BREWSTER. That is right.

Senator MUNDT. So to the extent a man wants to be a teamster, let us say, in Seattle, he has to belong to the teamsters union?

Mr. BREWSTER. Well, that is the qualification; yes.

Senator MUNDT. And to belong to the teamsters union, he has to pay whatever dues are assessed against him which I think you said were about \$5 per month.

Mr. BREWSTER. That's right.

Senator MUNDT. So that your union members have no choice about this \$15 that they had to pay over a period of 3 years for political purposes. They had to pay that in order to earn a living for their families as a teamster; is that right?

Mr. BREWSTER. Well, I have a different opinion about the choice. I think the wage scales and the things that we accomplished for them in the city of Seattle will approve itself. It is one segment of our organization that has helped that worker.

Senator MUNDT. I am not arguing about what you have made.

Mr. BREWSTER. An individual doesn't have a choice, but I think—

Senator MUNDT. I am just trying to get the facts. The union member in order to support his family as a teamster, has to pay the dues that are assessed against him even though they include that \$15 that was expended and the \$99,000 for political purposes; is that right?

Mr. BREWSTER. That's right.

Senator MUNDT. I was impressed by something that you said in your main presentation. I think that you took credit to yourself for having driven out of your union, or I am not sure, it may have been some other union with whom you were going to collaborate, some Communist officials; is that right?

Mr. BREWSTER. That is absolutely true.

Senator MUNDT. And I want to commend you for that. I have been in that business a little bit myself down here. Anyone who helps get Communists out of high places, I want to salute. That would indicate you have some pretty sound basic concepts of Americanism some place in your system, because the Communists are against our way of life.

Now, I want to ask you a straightforward question and I would like a straightforward answer. Do you really feel that it is within the boundaries of basic Americanism as you and I understand it, and as the Communists reject it—is it within the boundaries of sound Americanism to compel a man in order to earn a living for his family to

make political contributions for individuals whom he might personally prefer to oppose?

Mr. BREWSTER. Well, it is hard to give a straightforward answer to that.

Senator MUNDT. That is pretty basic. We are not making any case. This is a matter of general policy now and under the American flag in which you and I believe in.

Mr. BREWSTER. I could say "Yes" and "No," and then what part is "Yes" and what part is "No."

Senator MUNDT. It is just a one-package question, and you have to say "Yes" or "No" to the whole thing.

Mr. BREWSTER. It is too much of a package.

Senator MUNDT. Well, let me make it a little simpler.

I am very interested in having your reaction to this. Is it within your concept of basic Americanism that we should require individuals in this country, in order to earn a living for their families, to make political contributions to support candidates whom they personally might prefer to oppose?

It has nothing to do with partisan politics. This is just candidates and candidates.

Mr. BREWSTER. I don't think that we stop that at all.

Senator MUNDT. You do not stop them from voting the way they want to, of course.

Mr. BREWSTER. No.

Senator MUNDT. I am saying, is it sound Americanism to compel them to contribute——

Mr. BREWSTER. But I think if the majority——

Senator MUNDT. To people whom they prefer to defeat?

Mr. BREWSTER. The overwhelming majority, which it is in every instance, endorses or recommends candidates. I think that that calls for an action for all of the people in the organization.

Senator McCARTHY. The question has not been answered yet.

Senator MUNDT. I will ask the reporter to read the question so Mr. Brewster gets it clearly.

(Whereupon the reporter read the pending question as follows:)

Is it within your concept of basic Americanism that we should require individuals in this country, in order to earn a living for their families, to make political contributions to support candidates whom they personally might prefer to oppose?

Mr. BREWSTER. I think that the same answer could be given.

Senator MUNDT. You have not answered the question yet. Give us an answer to the question.

Mr. BREWSTER. Yes; I think so.

Senator MUNDT. When you say that you are supporting a concept that the Communists that you threw out of the union endorsed, that does not make sense to me.

Mr. BREWSTER. I say this because I am going to tell you another example of something else.

Senator MUNDT. I have an example to tell you but you tell yours first.

Mr. BREWSTER. When we take a strike vote to go out on strike, certainly they don't have to possibly go out on strike and they can stay on the job, or they probably would not be in favor of a strike. But

whatever it costs in the way of spending money, whatever it costs I think is an obligation to the majority of the people in the organization.

I don't think that you can segregate the issue of this any more than any other issue of majority rule.

Senator MUNDT. You are way out in left field and I use the word "left" advisedly, when you talk that way, Mr. Brewster.

Senator McCARTHY. Will the reporter keep track of that question because I would like to have it reread. I cannot believe that Mr. Brewster meant to make that answer but I do not want to interrupt now if you will make a note of that.

Senator MUNDT. You are way out in left field on that. When you have a strike vote, majority rules and that is the decision of the union. But in this country a citizen has something pretty inviolate and that is his vote.

I am surprised to have you sit there and tell me that you believe a majority has a right to disenfranchise a minority in this country. That is an amazing manifestation if that is what you meant.

Mr. BREWSTER. I certainly did not mean it that way.

Senator MUNDT. That is the impression you surely left with me.

Mr. BREWSTER. That isn't the way I meant it.

Senator MUNDT. Let me ask the question over again and you give me the answer.

Do you believe it is a sound concept of basic Americanism to make it necessary for a man, in order to earn a living for his family, to contribute under compulsion to the election of an official whom he prefers personally to defeat?

I do not care whether it is county, State, National, Republican, Democrat, or independent. I am talking about basic American rights that I believe you and I should both salute and support.

Mr. BREWSTER. I never looked at it in that manner and I am going to have to do something about it. That is the first time it has been presented in that fashion and you might possibly have something that I never have thought of. But I have always been a person that felt that the majority ruled on all issues and, believe me, I am as far away from communism as Senator McCarthy.

Senator MUNDT. I am not questioning that and I am simply pointing out that perhaps in the practices of labor unions, you have set in motion something which is as unAmerican as communism in that regard.

Because if you believe in majority rule having the right to disenfranchise the minority, that certainly isn't within the boundary of my concept of Americanism.

Let me give you an illustration. I served in the House of Representatives for some years with a Congressman from South Bend, Ind. His father worked for the Studebaker Corp. as a laboring man in order to send his son to college so he could become educated and eventually get elected to Congress. This man's father had to belong to a labor union.

The labor union assessed him a political contribution for the purpose of trying to defeat his son for Congress. Would you call that good Americanism?

Mr. BREWSTER. On that example, no.

Senator MUNDT. That happens to make it within the family, but it seems to me that it could be generalized to anybody. Any teamster should have the right to vote for the man that he thinks is best qualified.

I completely agree with Senator McCarthy. You have a right to conduct this educational campaign, and you can list the people in your teamster paper and carry ads and report on the voting records, but when it comes to requiring a man in order to earn bread and butter for his family to pay what is, in fact, a tax, and then you use that tax to support a candidate that he opposes, you have a lot of explaining to do to me to make me believe that is good Americanism.

Mr. BREWSTER. Senator, let me say this; if I stick around here for 3 or 4 more days, I don't think that I would contribute to any politician.

Senator MUNDT. You think my question over. It is asked in all sincerity and I am thinking in terms of legislation about this.

I am not thinking in terms of legislation to cripple labor unions, but I am thinking in terms of legislation as I indicated this morning, to protect the American rights of the people who belong to your teamsters. I do not pretend to know enough about the union movement to know whether closed shops or open shops or one kind of contract is good or bad, but I do know something about the rights of individual American citizens. I want to protect them. The way you answered my question this morning leads me to believe that you want to protect them financially as far as their vote is concerned.

You think it over.

Mr. BREWSTER. I have already been thinking about a resolution to probably do the things that you are talking about in our conference.

Senator GOLDWATER. I just wanted to comment on that last statement of Mr. Brewster.

Mr. Brewster, if you put a resolution such as we have been discussing here through your Teamsters' Union, I think that you will have made the greatest contribution to the freedom of the workingman that has been made since the Clayton Act of 1914.

I am glad to hear you say that you are thinking of that. I think it is the first indication on the part of any responsible labor leader in this country that finally the individual political freedom of the members of their union is something to be concerned about.

Mr. BREWSTER. I will take the subject matter up with our board, and I believe it will get a strong recommendation.

Senator MCCARTHY. I asked the reporter to mark a question that Senator Mundt asked, and the answer. I am not going to ask him to search through his notes there to find it now. I think that I can remember the question verbatim.

I was very much surprised at your answer to the question. I would like to have you repeat that, if that is your answer. Senator Mundt, in effect, as I recall said, "Do you feel that a man in order to earn bread and butter for his family should be forced to contribute to the campaign of a man whom he opposes?"

Your answer, I believe, was, "Yes; if the majority of the union decided he should so contribute."

I wonder if you can possibly mean that. It just does not seem right at all.

Mr. BREWSTER. I meant it in a broad sense of all things on majority rule.

Senator McCARTHY. On majority rule, I have two brothers who belong to unions and they have contributed to the political campaign funds and they both, it so happened, were Eisenhower supporters and their money went to try to elect Stevenson.

Is that not essentially wrong? I am not speaking about Eisenhower or Stevenson, and I do not think there was too much choice, you understand, but do you really think that a laboring man should be forced to contribute to the campaign of one candidate while he is strongly opposed to him and wants to support another candidate?

Mr. BREWSTER. Senator McCarthy, I think that I am getting a liberal education, to say the least. Why don't you give me a little time to think this over? This thing is new to me. This is the first time I have seen people in the political field that didn't want support financially of labor. This is very refreshing to me.

Senator McCARTHY. Mr. Brewster, it is not exactly new. We have discussed this in the Senate and on the Senate floor and it has been in the papers now for years and years, the question of the moral right or the moral wrong of making a laboring man contribute to a candidate whom he opposes.

I do not think it takes days for you to think that over. You are, after all, the head of 11 States out in the West and I do not believe you are dumb.

You certainly do not give that impression.

Mr. BREWSTER. Sometimes I wonder.

Senator McCARTHY. I just wonder if you can answer that simple question.

Mr. BREWSTER. I can answer it a little bit different. But let me say this and I have been thinking of it: Say that we have some registration in our organization and we have 2,000 members and we have 200 Republicans and 800 Democrats.

I think that is about the proportion. We might say that, "Well, we will contribute the proportion to the candidates." Would that be a solution? Then, we can take these people who are for a Republican and they are taken care of. I am just trying to answer. I think you mean this person who pays his dues, it all goes into probably one pot and he is probably opposed to those people that are running for office. Could we do it along the lines of a proportion of the amount of registrations that we have?

Senator McCARTHY. If you are asking me a question, my answer is, "definitely not." I feel the only answer is that any man who wants to support John Jones, Pete Smith, Nelly Gray, or anyone else can contribute his own money and not go into a pot.

For example, I know that one of the Senators at this table, it is not myself, was opposed by heavy funds from one of the unions. I know that union members, and I receive mail from them, said their money was being used to oppose this Senator, who was elected incidentally, and they said that they were very much against that.

I just wonder if it does not follow as the night follows the day along the line of Senator Mundt's questioning that you should not have a pot in which money is thrown by people of all political convictions and then have the majority use that money to support one man.

Does that follow?

Mr. BREWSTER. Well, I think—I don't know. I don't think that all of the people are going to agree with you.

The CHAIRMAN. The Chair will make this announcement:

That signal is for a vote in the Senate. We will have to recess temporarily.

The committee will return just as soon as it can discharge its duty as Members of the Senate.

May I ask the audience please not to crowd at the door so that we can have an opportunity to get there. We have a very limited time in which to get there to vote.

(Brief recess.)

(Members present after the taking of the recess: The chairman and Senator Ives.)

The CHAIRMAN. The committee will come to order.

All right, Mr. Kennedy, you may resume.

Mr. KENNEDY. Mr. Brewster, we were talking about Palm Springs, and your home there. Was there another establishment that was purchased in Palm Springs, or Palm Desert? Palm Springs, is that it?

Mr. BREWSTER. Just lately you refer to, do you not?

Mr. KENNEDY. Well, you tell me. Within the last few years.

Mr. BREWSTER. Which one do you refer to?

Mr. KENNEDY. Were there a number of them that were purchased?

Mr. BREWSTER. The only other one I know—don't you refer to the one that has been in the papers?

Mr. KENNEDY. Over the period of the last year, or within the period of the last 6 months?

Mr. BREWSTER. Yes.

Mr. KENNEDY. That is another establishment that has been purchased in that area; is that right?

Mr. BREWSTER. Another investment.

Mr. KENNEDY. Another investment that has been made?

Mr. BREWSTER. Yes, sir.

Mr. KENNEDY. What was that investment made for?

Mr. BREWSTER. That investment was made——

Mr. KENNEDY. First, could you tell me what the investment is?

Mr. BREWSTER. I couldn't give you the exact figure, but I think furnishing and all would run roughly speaking about \$35,000.

Mr. KENNEDY. And what were you purchasing for \$35,000?

Mr. BREWSTER. A three-apartment home on leased property, and it is to be owned by the Western Conference of Teamsters. Property down there is increasing in value all the time. Homes are getting scarce. We contemplate on renting it on the established amount of rent. This corporation, Braemar Corp., I think it is called, have a rental setup under their supervision, that they screen your tenants and rent it for a week or 2 weeks, or whatever it might be.

Mr. KENNEDY. Who do you plan to rent it to?

Mr. BREWSTER. Anyone that they would probably screen, and then possibly some of our own people that would want to go down there and rent it. They would pay the established price set up by the Desert Corp.

Mr. KENNEDY. Did you not tell the Braemar property people that this was for personal use only, or didn't your establishment?

Mr. BREWSTER. I never discussed it with them. I never discussed it, because he was the one that sold me on the idea that this thing could be rented and you could make money, and he told me about how he had a place and he could stay down there himself, and really make money on his own apartment.

Mr. KENNEDY. Isn't the reason that you purchased this apartment in Palm Desert, then, so that you could rent it out and it would be an investment for you?

Mr. BREWSTER. That was the main reason.

Mr. KENNEDY. The primary reason?

Mr. BREWSTER. The primary reason.

Mr. KENNEDY. And John Sweeney handled negotiations or did you handle negotiations?

Mr. BREWSTER. John Sweeney handled most of the negotiations.

Mr. KENNEDY. He wrote a letter that we have here with his signature, stating that the Desert Braemar, Inc., on the——

The CHAIRMAN. Let that letter be presented to the witness for his inspection.

(Document handed to witness.)

Mr. KENNEDY. Here is another letter.

(The witness conferred with his counsel.)

(Document handed to witness.)

The CHAIRMAN. Mr. Brewster, do you recognize that as a photostatic copy of a letter?

Mr. BREWSTER. I do.

The CHAIRMAN. Do you recognize the signature on it?

Mr. BREWSTER. I do.

The CHAIRMAN. Whose signature is it?

Mr. BREWSTER. John J. Sweeney.

The CHAIRMAN. Will you read the letter, please, sir?

Mr. BREWSTER. It is addressed to Mr. Starr Brown, sales director.

DEAR SIR: In connection with application to purchase unit 35 in the Desert Braemar, Inc., and in response to your letter of May 3, 1956, please be assured that we fully understand that all apartments are for personal use only. If you wish further information or assurance, please contact us.

I remember the discussion.

The CHAIRMAN. All right. That letter will be made exhibit No. 76.

(The document referred to was marked "Exhibit No. 76" for reference and will be found in the appendix on p. 1410.)

The CHAIRMAN. Next we have presented to you a photostatic copy of another letter. Will you examine it, please, sir?

Mr. BREWSTER. "The membership committee has requested" and it is addressed to John Sweeney.

The CHAIRMAN. To who?

Mr. BREWSTER. John J. Sweeney.

Mr. KENNEDY. I think that letter is earlier, is it not, the date on that letter?

Mr. BREWSTER. Yes. This was 3 days or so before.

The CHAIRMAN. In other words, the letter you read first is a reply to this, is that correct?

Mr. BREWSTER. That is right.

The membership committee has requested additional information regarding your purchase of the unit No. 35, in Desert Braemar, Inc. I am sure you can

understand in a development such as Desert Braemar, Inc., all apartments must be used for personal use only. The committee has requested that you send us a letter confirming this. A prompt reply is necessary to complete the processing of your application. Upon receipt of this letter, we will forward to you our plans to further complete this purchase. Thank you in advance for your cooperation in this matter.

That was done from the standpoint—

The CHAIRMAN. That will be made exhibit No. 77.

(The document referred to was marked "Exhibit No. 77," for reference and will be found in the appendix on p. 1411.)

(At this point, Senator Mundt entered the hearing room.)

Mr. BREWSTER. That was done from the standpoint that you had to clear the committee in order to get a place. And it was also explained that they had a rental setup that they would screen it. In other words, I could not rent that to anybody myself, unless it was screened through it, and I think it means the same. It was just that somebody would be personally responsible. They wouldn't have everybody, Tom, Dick, and Harry, coming in there without first it was being cleared with them. That is what was explained to me, and that is why that particular language is in there. I think if you will check further, Mr. Brauman or Brouman, whatever his name is, will tell you that the people in there have a right to rent their apartments for any period of time, and that they will be—of course, they will have to be screened and taken care of, and there is a small fee, I think, of something like 10 percent that they charge for rental and collecting the rent, and seeing that it is kept in order.

Mr. KENNEDY. Do you remember the salesman, Mr. Bruce Thomas, that you talked over this apartment with?

Mr. BREWSTER. I remember a couple of salesmen. I don't remember him particularly. He wasn't there.

Mr. KENNEDY. Do you remember you had some conversation with him about getting this apartment for yourself, personally?

Mr. BREWSTER. I don't remember that, no.

Mr. KENNEDY. Do you remember looking at this apartment No. 35, a superdeluxe apartment, and you made some statements that you would like it for yourself? Do you remember that at all?

Mr. BREWSTER. No, I don't remember that. In fact, I didn't want 35. I had to take it because there wasn't anything else available.

Mr. KENNEDY. Do you remember having any discussion that you wanted an apartment for yourself down there?

Mr. BREWSTER. I don't remember that particularly, but I might say that I might go down there and stay for a few days to kind of rest up a little bit once in awhile.

Mr. KENNEDY. Did you ever say to them afterward that you wanted the apartment purchased, but you wanted it purchased in the name of John Sweeney? Do you remember having any discussion with Mr. Thomas about that?

Mr. BREWSTER. No, I didn't.

Mr. KENNEDY. Just before you were on your way to Honolulu?

Mr. BREWSTER. No. I don't remember anything like that, other than John Sweeney was the one that was taking care of it, and that was the one that was voted on, that he would, I think in the minutes of our council, that he would act as the agent for it.

Mr. KENNEDY. When you made a purchase of this property, or it was decided to make a purchase of this property, was that taken up with the members of your board?

Mr. BREWSTER. It certainly was.

Mr. KENNEDY. Was it explained at that time that you wanted the apartment so that you could rent it out for investment purposes?

Mr. BREWSTER. That certainly was gone into.

Mr. KENNEDY. I have here the minutes of the board policy committee dated March 2, 1956. It shows that Mr. Frank W. Brewster and John Sweeney were among those present. It states here:

Brother Sweeney also spoke regarding the project in Palm Springs and suggested that the policy committee purchase certain property in Palm Springs in order that said property could be used by members of the policy committee and other secretaries or representatives of the teamsters who had suffered illnesses which could be relieved through their complete relaxation.

Mr. BREWSTER. That is a portion of it.

Mr. KENNEDY. Then it says, "Motion was made"——

Mr. BREWSTER. All right. But we went into further discussion. We don't keep a stenographic report of our minutes. We just write down, probably, the fundamentals of the thing.

Mr. KENNEDY. Then the fundamentals were that you wanted to have the apartment so that the members of the policy committee and other secretaries or representatives of the teamsters who had suffered illnesses would be relieved through their complete relaxation?

Mr. BREWSTER. Do you want me to finish what I was going to say?

Mr. KENNEDY. Go ahead.

Mr. BREWSTER. I would like to. I explained that I thought that it was a bad investment if we just used it for that purpose, that we could rent it and the thing would pay for itself, and also enhance the value, as we went along. I think that we can sell that right now at a profit. Maybe so much misunderstanding is made about it that maybe we might.

The CHAIRMAN. Mr. Brewster, you could not rent it and use it for the purposes recorded here in the minutes, too, at the same time, could you?

Mr. BREWSTER. Couldn't do what?

The CHAIRMAN. Could not rent it and use it for the purposes stated here in the minutes of this meeting, could you?

Mr. BREWSTER. You couldn't use it at the same time; certainly not.

The CHAIRMAN. There is nothing said in there about renting it, in the minutes of that meeting, at least. Did you have another meeting and discuss it later?

Mr. BREWSTER. The discussion of setting up a committee was discussed, and I don't know how it didn't get into the minutes, that we were going to appoint a committee in that area of three that would also screen the people that probably went down there. It isn't going to be a playhouse.

The CHAIRMAN. This is just inconsistent, that you bought it for the purpose of letting the officers of the union and representatives go down there to recuperate after an illness and at the same time you are going to rent it out. That is not consistent, is it?

Mr. BREWSTER. I think it is, because I think that our illnesses don't happen every day.

The CHAIRMAN. If you had it rented, it would not be available for the other purpose, would it?

Mr. BREWSTER. We wouldn't rent it for a long period of time. It is only rental for a week, 10 days, 2 weeks, or a month at the most. That never would be rented for any more period of time than that.

The CHAIRMAN. It takes a lot of screening, then, if everybody is going to be screened that goes in there for a week, would it not?

Mr. BREWSTER. I think there would be a list, just like you get a screening of apartment houses and so forth. The screening, they do it in that country.

The CHAIRMAN. It would take a week to do any screening, would it not?

Mr. BREWSTER. They would probably have a list of the people that would want to go down and get that kind of an apartment. I don't think the mechanics of it are really tough at all.

Mr. KENNEDY. Why did they write this letter saying that they wanted to make sure that it would be used for personal use?

Mr. BREWSTER. Only from the standpoint that they didn't want it in the face that it was commercial. I was told that absolutely they had a setup there that would rent it and they would collect the rent and screen the people, and they wanted it to go through them so that they would be responsible.

Mr. KENNEDY. That isn't what the letter says. It says they want to make sure it is personal use.

Mr. BREWSTER. Well, going through the committee and so forth, they asked for that. But I was told by Mr. Brauman that that was absolutely going to be a service that they had for all people that rented. There are people that don't go out there for a full summer—winter, rather—and those people are in a position where they might want to rent it for a full season. That is a procedure in every one of these types of projects in Palm Springs.

Mr. KENNEDY. Is this in the area in which you had your home?

Mr. BREWSTER. No; it is—well, it is all in the area. It is all in the desert. It is all between a 13-mile area.

Mr. KENNEDY. When did you sell your home down there?

Mr. BREWSTER. There you got me on dates again.

Mr. KENNEDY. Approximately when did you sell your home?

Mr. BREWSTER. I would say a little over 4 years ago.

Mr. KENNEDY. 1953 you sold your home? You had it in 1954, did you not?

Mr. BREWSTER. Well, I just had it that season. Then it was—

Mr. KENNEDY. 1954?

Mr. BREWSTER. Well, gee, I am not positive on that, because—

Mr. KENNEDY. What is the name of the country club there?

Mr. BREWSTER. There are two of them. There is Thunderbird, and there is Tamerisk. It is between Tamerisk and Thunderbird.

Mr. KENNEDY. Did you belong to the Thunderbird Club?

Mr. BREWSTER. Yes; I belonged to the Thunderbird Club at that time, because our employers were meeting down there a lot and I wanted to have a place to—

Mr. KENNEDY. Did you pay for your membership in the Thunderbird Club yourself or did the western conference?

Mr. BREWSTER. The western conference, because that was strictly—I don't play golf. That is why I wanted it; for the entertainment of the people I took down there.

Mr. KENNEDY. Here is a check for \$400 to the Thunderbird Country Club.

The CHAIRMAN. Let the check be presented to the witness for his examination and identification.

(Document handed to witness.)

(The witness conferred with his counsel.)

Mr. BREWSTER. Do you want me to identify it?

The CHAIRMAN. Yes, sir. What is the document you have before you?

Mr. BREWSTER. It says, "Thunderbird Ranch and Country Club, \$400," signed by myself and Robert Graham.

The CHAIRMAN. Is that on union dues?

Mr. BREWSTER. It comes indirectly out of union dues.

The CHAIRMAN. That check may be made exhibit No. 78.

(The document referred to was marked "Exhibit No. 78" for reference and will be found in the appendix on p. 1412.)

Mr. KENNEDY. Without getting, Mr. Brewster, into things that are too personal, I was wondering if you have your suits tailor made on some occasion.

Mr. BREWSTER. What do they look like?

Mr. KENNEDY. On some occasion, do you have your suits tailor made?

Mr. BREWSTER. When I drove a team once, I saved up for a whole year and got a tailormade suit, and I was the happiest man in town.

Mr. KENNEDY. Now tell me, your suits, do you now have them on some occasion tailor made for you?

Mr. BREWSTER. Yes; I have.

Mr. KENNEDY. Does the Western Conference of Teamsters pay for your suits, pay your tailor for your suits?

Mr. BREWSTER. Not that I know of. I don't know—

Mr. KENNEDY. You would know that, would you not?

Mr. BREWSTER. Yes. I don't know of anything.

Mr. KENNEDY. Do you deny that they ever paid for the making of your suits?

Mr. BREWSTER. Not to my knowledge.

Mr. KENNEDY. What?

Mr. BREWSTER. I think one time they voted to buy me a suit of clothes for Christmas, if that is what you are referring to.

Mr. KENNEDY. The Western Conference voted?

Mr. BREWSTER. Yes. The board or whoever it was.

Mr. KENNEDY. Well, so that was—

Mr. BREWSTER. I don't recall who it was, but they voted to buy me a suit of clothes.

Mr. KENNEDY. A suit of clothes for Christmas?

Mr. BREWSTER. Yes.

Mr. KENNEDY. Did you get it at Christmas?

Mr. BREWSTER. I don't know. I probably didn't need it, and I took the certificate and got it when the other one got lace on it.

Mr. KENNEDY. Is your tailor Mr. Santarelli?

Mr. BREWSTER. That is right.

Mr. KENNEDY. Mr. N. Santarelli?

Mr. BREWSTER. That is correct.

Mr. KENNEDY. Would you explain this check to the committee?

The CHAIRMAN. The Chair presents to you what appears to be a photostatic copy of a check, and asks you to examine it and identify it. (Document handed to witness.)

Mr. KENNEDY. That is a Western Conference Check, Mr. Chairman. (The witness conferred with his counsel.)

The CHAIRMAN. Have you examined the document?

Mr. BREWSTER. Yes; I have examined the document.

The CHAIRMAN. What is it?

Mr. BREWSTER. It is made out to N. Santarelli.

The CHAIRMAN. It is a photostatic copy of the check?

Mr. BREWSTER. It is a photostatic copy of the check, and in the corner it says, "Charged as a gift, Western Conference of Teamsters, June 22, 1954, N. Santarelli, in the amount of \$400." And it is signed by F. W. Brewster and Gordon Lindsay.

The CHAIRMAN. Do you recall the incident?

Mr. BREWSTER. No; I do not, on this particular check, because this isn't 1 suit, this is 2.

The CHAIRMAN. You would say so?

Mr. BREWSTER. Yes. I know so.

The CHAIRMAN. Then you do recall the incident?

Mr. BREWSTER. I don't recall the incident. I recall the price.

The CHAIRMAN. I am just trying to ascertain if you recall the occasion when that was done, and the circumstances of it.

Mr. BREWSTER. No, I don't, other than this. We bought, at different times, for some people that would do different things for us, and you certainly couldn't give them any money, and some of them didn't drink whisky, and we couldn't give them that. We bought them suits of clothes. We have done that for a long period of time.

Senator IVES. Mr. Chairman, may I ask a question?

The CHAIRMAN. Let me ask one other question.

Was that in payment for your suits; that check?

Mr. BREWSTER. I don't think it was.

The CHAIRMAN. Who did you buy a suit of clothes for?

Mr. BREWSTER. At that time?

The CHAIRMAN. Yes.

Mr. BREWSTER. I don't recall.

The CHAIRMAN. All right, Senator.

Senator IVES. Mr. Chairman, I merely want to ask Mr. Brewster whether this might be a check that he signed blank. Were you in the habit of signing checks at that particular instance in blank?

Mr. BREWSTER. I didn't want to go into that too much this afternoon, but I certainly could have. That was the time that Gordon Lindsay was the secretary-treasurer, and he is dead.

Senator IVES. That is certainly a new thought around here.

Mr. BREWSTER. This job kills people off.

The CHAIRMAN. The check will be made exhibit No. 79.

(The document referred to was marked "Exhibit No. 79" for reference, and will be found in the appendix on p. 1413.)

The CHAIRMAN. The Chair will say that the difficulties under which committee members labor sometimes might have been calcu-

lated to have a little impairment, too. So if we can get better cooperation, and get the facts before us, it will help us all considerably.

Mr. BREWSTER. Let me say, Senator, you have been very kind, and I appreciate it.

Mr. KENNEDY. Mr. Brewster, you say this check was not used to purchase a suit for you, or suits for you?

Mr. BREWSTER. I don't believe it was. But I remember once, and I don't remember any more than once, that they voted to buy me a suit of clothes for——

Mr. KENNEDY. Did you go to Mr. Santarelli to get that suit of clothes?

Mr. BREWSTER. Yes.

Mr. KENNEDY. Then you signed a check to Mr. Santarelli to get the suit?

Mr. BREWSTER. The bill was sent to the office and it was signed.

Mr. KENNEDY. Would that be at Christmas that they voted a suit of clothes to you?

Mr. BREWSTER. Either Christmas or my birthday. I have a birthday, too.

Mr. KENNEDY. But you do not remember this just several years ago?

Mr. BREWSTER. I don't remember; no.

Mr. KENNEDY. You do not remember getting a tropical blue, 2-button, single-breasted suit, for \$180.25?

Mr. BREWSTER. I will have to check my wardrobe.

Mr. KENNEDY. But you do not remember that?

Mr. BREWSTER. I think I got something that resembles that, but I don't know when it was I received it.

Mr. KENNEDY. Your memory on that is not very good; is that right? You cannot remember that? You cannot remember it? Is that right?

Mr. BREWSTER. Sir?

Mr. KENNEDY. You cannot remember it?

Mr. BREWSTER. I remember that I got a tropical, two-button, single-breasted suit?

Mr. KENNEDY. Yes.

Mr. BREWSTER. I think I have.

Mr. KENNEDY. Do you remember whether you paid for it or whether union members' dues were used to pay for it?

Mr. BREWSTER. No; I don't remember that. I don't remember whether that was a present from the union or whether it was that particular suit. If Mr. Santarelli told you that, probably he remembers it, and that probably could be it.

Mr. KENNEDY. Well, do you remember what happened to the rest of the \$400 in the check that you sent him; to Mr. Santarelli?

Mr. BREWSTER. No; I don't.

Mr. KENNEDY. Well, the suit cost \$180.25, and you sent him a check for \$400. What happened to the rest of the money?

Mr. BREWSTER. I don't know that, unless there was something else. As I say, we bought other people around for doing certain favors, and where we couldn't buy them anything in the world, they would take a suit. I think that that is pretty common practice.

Mr. KENNEDY. You say you bought suits for other people at Mr. Santarelli's?

Mr. BREWSTER. Yes.

Mr. KENNEDY. Were teamster union funds used to purchase suits for other teamster officials?

Mr. BREWSTER. Not to my knowledge.

Mr. KENNEDY. What about Mr. Terry McNulty? Did you buy any suits for Mr. Terry McNulty?

Mr. BREWSTER. I don't recall any.

Mr. KENNEDY. Can you think back now and think whether you did have a suit purchased for Terry McNulty and charged to union funds?

Mr. BREWSTER. I don't remember.

Mr. KENNEDY. Do you think that that would be improper, if you had?

Mr. BREWSTER. Unless it was taken up with the union, yes.

Mr. KENNEDY. Do you think the union members would have had to pass on it?

Mr. BREWSTER. I think they should, yes.

Mr. KENNEDY. Did they pass on that?

Mr. BREWSTER. I don't know.

Mr. KENNEDY. Why would they want to purchase a suit for Mr. Terry McNulty, who is the driver for your horse van?

Mr. BREWSTER. Terry McNulty is 69 years old and he has been a member of the union since 1909, and for probably all the good services he has done they might want to buy him a suit of clothes.

Mr. KENNEDY. If that is the explanation for Mr. Terry McNulty, what would be the explanation for buying the suit and overcoat for Mel Eisen?

Mr. BREWSTER. I don't know that that was done.

Mr. KENNEDY. And union funds used to do that?

Mr. BREWSTER. I don't know that.

Mr. KENNEDY. Can you give any explanation for it at all?

Mr. BREWSTER. I cannot.

Mr. KENNEDY. What about Mr. Harry Finks? Why would the teamster union membership want to buy a suit of clothes for Mr. Harold Finks at this tailor?

Mr. BREWSTER. Harry Finks is one of those people in California that has spent most of his time around Sacramento. He represents the Central Labor Council up there, and he has done many, many favors for the teamsters organization.

Mr. KENNEDY. Did the teamster membership pass on buying a suit—

Mr. BREWSTER. Will you let me finish it, please? I am not taking too much time.

I believe that that was discussed, at least, or polled by the executive board, to buy Harry Finks a suit of clothes for the work that he did in Sacramento, around the legislature.

Mr. KENNEDY. Mr. Brewster, nowhere in the minutes that we have gone over of the Western Conference of Teamsters does there appear anything about buying a suit for Terry McNulty, a suit for Harry Finks, who is a union official, or a suit for Mr. Mel Eisen, who is your jockey, and a suit and overcoat, nor does there appear anyplace in the minutes permission to buy a suit of clothes for Mr. Frank Brewster.

Mr. BREWSTER. I did not draw the minutes up. Sweeney drew them up, and I don't know anything about it.

Mr. KENNEDY. Mr. Chairman, I have an affidavit here from Nicholas Santarelli that I would like permission to read into the record.

The CHAIRMAN. You may read it into the record and then interrogate the witness about it.

Mr. KENNEDY (reading):

MARCH 14, 1957.

AFFIDAVIT

STATE OF WASHINGTON,

County of King, ss:

I, Nicholas Santarelli, of my free will and with no promise of immunity, make the following statement: That I presently reside at 1120 19th Avenue, North, Seattle, Wash., and that I am employed as a tailor by Alt & Co., Seattle, Wash. In 1951 or 1952 when I had my own tailoring business in Medical Arts Building, another tailor in that building died while participating in a VFW parade. His widow came to me later and asked me to take over the account of Frank W. Brewster. Since then I have made a number of suits for Mr. Brewster, as well as topcoats. I have also performed tailoring work for Mr. George Cavano. In June of 1954 Mr. Brewster had a balance due me from some suits I had made. He gave me a check for \$400 from which I deducted the amount due and wrote a check to Mr. Brewster for the balance. I have since been told that it was a union check, but I made no note of that fact at the time I received the check. In October of 1954 I moved to San Mateo, Calif., to live with my son, and I went to work for a tailor in San Francisco named Frank Corvin. In January of 1955 Mr. Frank Brewster contacted me in San Francisco about making some suits for presents for three men. These men all later came into the shop in San Francisco to be fitted. I made a suit for Terry McNulty, a suit for Harry Finks, a teamsters' union official from Sacramento, Calif., and a suit and overcoat for Mel Eisen, who I understood to be a trainer for Mr. Brewster's horses. I subsequently received a teamsters' union check in the amount of \$546 in payment of this transaction. The check was given to me by Mr. John J. Sweeney.

These are the only occasions on which I recall receiving union checks. I have continued to serve Mr. Brewster and made some suits for him in August or September of 1956.

I believe all the above statements to be the truth to the best of my knowledge.

NICHOLAS SANTARELLI.

Subscribed and sworn to me this date:

FRANCIS N. CASHMAN,
Notary Public

Mr. Chairman, we have here a check from the Western Conference of Teamsters dated January 10, 1955, pay to the order of N. V. Santarelli, \$546, and signed by Frank W. Brewster and John J. Sweeney.

The CHAIRMAN. Let the check be presented to the witness for his examination and identification.

(Document handed to witness.)

(The witness conferred with his counsel.)

Mr. GRIFFIN. May I see the original of the affidavit, please?

The CHAIRMAN. Yes, sir, you may.

(Document handed to counsel.)

Mr. GRIFFIN. This is a carbon.

The CHAIRMAN. The affidavit has been read into the record.

These affidavits, you understand, when they are read, will be printed in full, all of them.

Will you examine the check, the photostatic copy of the check, Mr. Brewster, and see if you identify it as your signature?

Mr. BREWSTER. Yes, sir. The check is made out to N. V. Santarelli.

The CHAIRMAN. What is the date of it?

Mr. BREWSTER. What is what?

The CHAIRMAN. The date of the check.

Mr. BREWSTER. January 10, 1955, for \$546, signed by myself and John Sweeney.

The CHAIRMAN. All right.

That check may be made exhibit No. 80, for the record.

(The document referred to was marked "Exhibit No. 80," for reference and will be found in the appendix on p. 1414.)

The CHAIRMAN. Mr. Counsel, have you any questions about it?

Mr. KENNEDY. I would like to find out, Mr. Brewster, what you did with the \$219.75.

Mr. BREWSTER. I certainly don't remember getting \$219.75. I don't believe I did.

Mr. KENNEDY. Mr. Santarelli says that he sent you that money, \$219.75.

Mr. BREWSTER. Sent it to me or gave it to me in cash?

Mr. KENNEDY. I believe he said he sent it to you, as a check, and it cleared through his bank account.

Mr. BREWSTER. Have you got the copy of the check there?

Mr. KENNEDY. We have the bank account which shows that it cleared through.

Mr. BREWSTER. I certainly don't remember the transaction and I will make it a point to see Mr. Santarelli as soon as I get back.

Mr. KENNEDY. Why did you make a check out to him for \$400 originally?

Mr. BREWSTER. That I don't know.

Mr. KENNEDY. Mr. Brewster, what I don't understand is all this money keeps going out of the Western Conference of Teamsters, and you are the president, and you don't seem to have any idea where it is going.

Mr. BREWSTER. Not all the——

Mr. KENNEDY. Excuse me?

Mr. BREWSTER. You made a statement.

Mr. KENNEDY. Is it true that you have no idea where this money is going?

Mr. BREWSTER. It is true that I don't know where all of it is going.

Mr. KENNEDY. Who would know if you do not know, Mr. Brewster?

Mr. BREWSTER. Well, John Sweeney would have known.

Mr. KENNEDY. Would you allow somebody who was head of a local who handled his affairs like you have been handling the Western Conference affairs, would you allow him to stay in office?

Mr. BREWSTER. I don't know whether I have been handling them in the light that you try to make out, so I wouldn't pass judgment on what I would do to anybody else.

Mr. KENNEDY. You have your name there on a check for \$400, you signed a check for \$400 to your tailor, for payment of a suit of clothes. Will you explain to the committee if you have a proper stewardship of the funds that are in your possession, whether you consider that proper stewardship of those funds?

Mr. BREWSTER. I can't at the present time.

The CHAIRMAN. Mr. Brewster, obviously you got \$400 out of the teamsters union funds; did you not?

Mr. BREWSTER. That looks like it.

The CHAIRMAN. Well, does it look like anything else?

You paid a bill out of that \$400 of \$180.25. Where is the rest of the money and what did you do with it?

Mr. BREWSTER. I am not sure at the present time.

The CHAIRMAN. All right.

Mr. KENNEDY. Mr. Brewster, I want to call your attention to section 9-54-010, which defines larceny in the State of Washington.

Every person who with intent to deprive or defraud the owner thereof, having any property in his possession, custody, or control, as bailee, factor, pledgee, servant, attorney, agent, employee, trustee, executor, administrator, guardian, or officer of any person, estate, association, or corporation, or is a public officer, or a person authorized by agreement or by competent authority, to take or hold such possession, custody, or control, secretes, withholds, or appropriates the same to his own use or the use of any person other than the true owner or person entitled thereto, is guilty of larceny.

Would you say, Mr. Brewster, where you have used union funds to pay your own personal bills, where you have used union funds to pay the personal bills of your horse trainer, where you have used union funds to pay the personal bills of your jockey, do you not feel that you are violating this section 9-54-010 in the State of Washington?

(The witness conferred with his counsel.)

Mr. BREWSTER. That is a legal question, and I am not capable of answering.

Mr. KENNEDY. You do not consider this a misappropriation of union funds?

Mr. BREWSTER. I haven't for any selfish gain, and I can prove that before this committee adjourns.

Mr. KENNEDY. What is the explanation of using union funds to pay the bills of your jockey, of your horse trainer, to buy suits of clothes for you? Can you give us some explanation for it?

Mr. BREWSTER. I didn't know that that was done.

Mr. KENNEDY. To repair your horse van?

Mr. BREWSTER. I didn't know that that was done.

Mr. KENNEDY. Who knows about it, then, if you wouldn't know about it? Your name is on the checks used to pay this.

Mr. BREWSTER. That is right. I signed checks in blank, and they could be made out, and someone else could instruct them.

Mr. KENNEDY. Would you say this is a responsibility of John Sweeney, then?

Mr. BREWSTER. Some of it was, yes. I don't want to keep on harping on it, but it was just like it was Gordon Lindsay before that, and Buddy Graham before that.

Mr. KENNEDY. Everybody but Frank Brewster?

Mr. BREWSTER. And like it was my responsibility when I was secretary-treasurer.

Mr. KENNEDY. But everybody is responsible but Frank Brewster for the payment of your personal bills?

Mr. BREWSTER. Everybody including Frank Brewster.

Mr. KENNEDY. Would you take action, Mr. Brewster? Tell me this: Would you take action against a local union official who you found to be paying his personal bills with union funds?

Mr. BREWSTER. If I found that he was absolutely guilty, yes. I would go into the case thoroughly. I wouldn't prejudge.

Mr. KENNEDY. Who is going to judge your case to find out whether you have misused union funds?

Mr. BREWSTER. I believe our executive board in the Western Conference and the membership is.

Mr. KENNEDY. Are they going to be able to vote on it?

Mr. BREWSTER. Yes, they are going to vote on it.

Mr. KENNEDY. What procedure are you going to follow? Are you going to make an accounting to all the membership of what you have done with the union funds?

Mr. BREWSTER. We are going to make an accounting to all local unions and so forth.

Mr. KENNEDY. Are you going to tell them about it, explain all of these things to them.

Mr. BREWSTER. To the best of my ability.

Mr. KENNEDY. There are other things that took place prior to 1954 in the Western Conference funds. How are you going to explain those things to them when the union records are destroyed?

Mr. BREWSTER. I am not sure that they were.

Mr. KENNEDY. Nobody will every know, will they, since those records are destroyed?

Mr. BREWSTER. You will not know that they were, either.

Mr. KENNEDY. Excuse me?

Mr. BREWSTER. They will not know that there were.

Mr. KENNEDY. But you told us that you didn't do any of these things, and we have some records, at least, to indicate that you misused union funds in this way.

Mr. GRIFFIN. Mr. Chairman, isn't that a question for the committee, facts for the committee to determine later and not the counsel to determine at the present time?

Mr. KENNEDY. I was just asking the question what he is going to do about it. Mr. Griffin, just trying to find out what he is going to do about it.

The CHAIRMAN. This witness occupies a very high and responsible position, a position of trust, a position of stewardship of funds paid into an organization that he heads for the purpose of serving the membership thereof. On the face of it, it is clearly indicated that some of those funds have been misappropriated.

The witness himself who received the benefit of them, on the face of the record, was a responsible officer, authorized to administer those funds, and sign the checks that brought about, if there were misappropriations, the misappropriations of the funds. So on the basis of that, any questions that pertain to the action of this official of the union in carrying out his trust and his responsibilities, any action of his that amounted to a conversion of the funds, certainly this committee has a right to interrogate him about them, and final judgment may be passed, as he says, by his union, or by some process they have in their local organization.

But this committee has the responsibility of developing these facts with a view of determining what legislation may be needed to prevent a recurrence in other unions, and in this union; whatever legislation is necessary to protect the union funds that are paid in by members who have to belong to the union if they are employed.

So I think the committee has a perfect right to go into it.

Proceed.

Mr. KENNEDY. I would like to find out, Mr. Brewster, about the gift certificates that you have from the Western Conference of Teamsters, what procedure you follow as far as gift certificates are concerned. Will you explain that to the committee?

Mr. BREWSTER. Well, they embrace a lot of people around Christmastime: Airline employees that get reservations, people in hotels that we call to get reservations, employees around hotels where we get certain services and people that have generally—not to me personally—generally have performed a service for the people that travel in the Western Conference of Teamsters.

Mr. KENNEDY. You say not to you personally. You mean you didn't receive any of these gift certificates?

Mr. BREWSTER. No.

Mr. KENNEDY. You never received any of them?

Mr. BREWSTER. They are all in a position where they are put out to all of these people.

Mr. KENNEDY. They went to outsiders, then, is that right?

Mr. BREWSTER. Yes. They might have gone to some of the members in the organization around Christmastime.

Mr. KENNEDY. What about you personally? You said that you did not receive any of them?

Mr. BREWSTER. I might have received one or two. I don't know.

Mr. KENNEDY. Amounting to how much money?

Mr. BREWSTER. I don't know how much. I don't think very much.

Mr. KENNEDY. Is it your testimony that you did receive some of these gift certificates?

Mr. BREWSTER. I might possibly have received them.

Mr. KENNEDY. Why would they be giving gift certificates to you, or why would you be giving gift certificates to yourself?

Mr. BREWSTER. Why would I to myself? Because I think that I have been included.

Mr. KENNEDY. In what?

Mr. BREWSTER. In getting a gift for Christmas.

Mr. KENNEDY. Well, would you decide what kind of a gift you were going to get for Christmas from the Western Conference of Teamsters?

Mr. BREWSTER. It would be comparable with what anybody else got.

Mr. KENNEDY. You say now that you did receive some of these gift certificates?

Mr. BREWSTER. I believe I did.

Mr. KENNEDY. You did?

Mr. BREWSTER. Yes. It is possible that I did.

Mr. KENNEDY. Can you refresh your recollection and try to tell us how many gift certificates you received?

Mr. BREWSTER. I don't think it is very large. I wouldn't try to make a statement.

Mr. KENNEDY. What is very large? What is not very large?

Mr. BREWSTER. It is less than \$150.

Mr. KENNEDY. That you have received in gift certificates?

Mr. BREWSTER. Yes.

Senator MUNDT. It used to be a 12-pound ham.

Mr. KENNEDY. You received less than \$150 worth of gift certificates?

Mr. BREWSTER. That is my recollection.

Mr. KENNEDY. That is your what?

Mr. BREWSTER. Recollection. I am just going by guess.

Mr. KENNEDY. Do you think it is possible that you could have received more than that?

Mr. BREWSTER. I don't think so.

Mr. KENNEDY. Could you have received twice as much as that?

Mr. BREWSTER. I don't think so.

Mr. KENNEDY. Is it possible?

Mr. BREWSTER. No, I don't think—I don't think I did. You ask if something is possible, I don't think I did.

Mr. KENNEDY. You had some of those gift certificates to Littler?

Mr. BREWSTER. That is right.

Mr. KENNEDY. \$3,956.41?

Mr. BREWSTER. That is right.

Senator MUNDT. Before we get into the particular gift certificate, Mr. Brewster, will you tell me who determines who gets these gift certificates? Do you do that individually? Does the policy do that? Do you have a committee who does that?

Mr. BREWSTER. The policy committee does that. I think the action will show it.

Senator MUNDT. Does the policy committee determine the recipients of the gifts?

Mr. BREWSTER. Yes, sir.

Senator MUNDT. Is it customary for the policy committee to include itself in on the gifts?

Mr. BREWSTER. I don't think that they have.

Senator MUNDT. You would know.

Mr. BREWSTER. No, they haven't. No.

Senator MUNDT. Do they ever give any gifts to the poor old teamster out there on the truck who is paying the dues for this whole carnival of gifts?

Mr. BREWSTER. I am glad you brought that up. Every time he gets a paycheck it is on there.

Senator MUNDT. What is on there? A gift?

Mr. BREWSTER. That wage that we get. That increase in the things that we are getting for him from time to time, his health and welfare. There is \$25 million that was paid out in health and welfare that he never would have got unless we saw that he got it. Last year in the 11 Western States—

Senator MUNDT. Of course the whole organization benefits in that. The officers get better salaries, get better expense accounts, and the teamsters get better wages. I recognize that. But I am thinking about the fellow at the end of the line who seems to be the forgotten man in this union business, the fellow who pays the dues, the fellow who has to pay them to get a job for his family. I wonder if out of generosity of their hearts, when the policy committee is passing out gifts to one another, if they ever give one to the man who drives a truck.

Mr. BREWSTER. We do that for the needy around that time, around Thanksgiving, too.

Senator MUNDT. This is different. The policy committee members are not needy. Mr. Brewster is not needy. You do that because of the spirit of Christmas, or it is in the air to give gifts. I am not necessarily criticizing that, but I am wondering why in the world the fellow who pays the dues does not get a gift at Christmas? Are there too many of them, maybe, or you cannot give them to all, or what?

(The witness conferred with his counsel.)

Senator MUNDT. He pays for them; does he not?

Mr. BREWSTER. There probably isn't enough to go around.

Senator MUNDT. He pays for them and there is not enough to go around, and the policy committee is right there at hand so they take them.

Mr. BREWSTER. I didn't say the policy committee did it.

Senator MUNDT. They vote them out. They determine it. I am trying to find out who plays Santa Claus. Out in my country, the fellow who plays Santa Claus does not always keep all the gifts himself; he gives them out. But it seems to me that the fellows who are playing Santa Claus here get in on the dispensation of the largess; right?

Mr. BREWSTER. You probably have a good philosophy.

The CHAIRMAN. The Chair presents to you a check, a photostatic copy of a check, dated January 18, 1955, Check No. 8093, drawn on the Western Conference of Teamsters, signed by you as president, and Mr. Sweeney as secretary-treasurer.

I ask you to examine the check and identify it.

(The document was handed to the witness.)

(The witness conferred with his counsel.)

Mr. BREWSTER. January 18, 1955, check No. 8093, made out to Littler for \$3,956.41, signed by myself and one John Sweeney.

The CHAIRMAN. What is that check for?

Mr. BREWSTER. That was for the things that we were talking about, gift certificates.

The CHAIRMAN. For gift certificates?

Mr. BREWSTER. Yes, sir.

The CHAIRMAN. You had purchased the gift certificates; is that correct, from this firm?

Mr. BREWSTER. That is right.

The CHAIRMAN. I hand you here what I believe are eight of those gift certificates and ask you to examine them and see if you can identify them.

The check will be made exhibit No. 81.

(The document referred to was marked as "Exhibit No. 81" and will be found in the appendix on p. 1415.)

(The documents were handed to the witness.)

The CHAIRMAN. You might also note the endorsements on the back of it.

Mr. Brewster, have you examined them?

Mr. BREWSTER. Yes; I have.

The CHAIRMAN. Will you identify them for us, please, sir?

Mr. BREWSTER. One is for \$20.60, a merchandise order, No. 72.

The CHAIRMAN. Just identify them. Tell us what they are.

Mr. BREWSTER. They are gift certificates, merchandise orders. This one is \$20.60.

The CHAIRMAN. Are those part of the gift certificates this check just presented to you was in payment of?

Mr. BREWSTER. It is not my signature on the back.

The CHAIRMAN. Did you get the gifts?

Mr. BREWSTER. I don't believe I did. That is not my signature on the back.

The CHAIRMAN. It is your name, but not your signature; is that what you are saying?

Mr. BREWSTER. This isn't my writing at all. I think it is possible that they went down there and they wanted to know who gave them to them, so they just put the name on the back of them.

The CHAIRMAN. There is one there for \$154; isn't there, or a little over that?

Mr. BREWSTER. Yes, sir. That is for my daughter. That was in the way of a bonus.

The CHAIRMAN. That was in the way of a bonus for your daughter?

Mr. BREWSTER. Yes, sir.

The CHAIRMAN. Is your daughter working there?

Mr. BREWSTER. She is working in the building; yes, sir.

The CHAIRMAN. In the building? I am talking about working for the teamsters.

Mr. BREWSTER. She is working in the security office.

The CHAIRMAN. Security office of what?

Mr. BREWSTER. Of the Western Conference of Teamsters. There is one here for \$20.60 that has my signature on.

Mr. KENNEDY. The total is \$175.10.

The CHAIRMAN. That is of the eight presented?

Mr. KENNEDY. Yes. The ones that appear that have Frank Brewster's name on the back of them are endorsed "Frank Brewster." whether he got them or not. They are endorsed "Frank Brewster."

Mr. BREWSTER. I did this, too, Mr. Chairman. I want to explain this part of it, please.

The CHAIRMAN. All right.

Mr. BREWSTER. If I thought at different times that there was something that I knew someone would like, such as a hat that I had his size and so forth, or some personal thing that I would like to give, I took—some of them I could have done that, and I remember doing it in certain instances—I don't know how many—and bought them and signed my name to it and gave them as personal gifts instead of a gift certificate.

The CHAIRMAN. You mean that you would give them in the name of "Frank Brewster" and the union would pay for them?

Mr. BREWSTER. No. Under the Western Conference of Teamsters.

The CHAIRMAN. Sir?

Mr. BREWSTER. I gave them to them under the Western Conference of Teamsters, because he knew that that is where it came from. I never tried to build myself up on this type of gratuities over the people that did us some favors over a long period of time, and we have a lot of them.

The CHAIRMAN. Those certificates will be made exhibit Nos. 82-A, 82B, 82C, and 82D.

(The documents referred to were marked as "Exhibits 82-A through 82-D, inclusive," and will be found in the appendix on pp. 1416-1423.)

Mr. KENNEDY. We have 2 other certificates, \$154.50 and \$25.75. They are not endorsed.

The CHAIRMAN. Can you make any explanation of that \$154 item?

Mr. KENNEDY. It is the two of them together.

The CHAIRMAN. There are two of them together. Let's take the \$154 one first. He said the other \$154 one was a bonus to his daughter.

(The documents were handed to the witness.)

(The witness conferred with his counsel.)

Mr. BREWSTER. I don't know. They are required to put their names on them. I don't know. I wouldn't dare say who got them, because I have no way of telling.

The CHAIRMAN. Those two may be made exhibits Nos. 83-A and 83-B.

(The documents referred to were marked "Exhibits 83-A and 83-B," and will be found in the appendix on pp. 1424-1425.)

Mr. KENNEDY. Those two gift certificates were credited, totaling \$180.25, to Mr. Frank Brewster's account at Littler's.

Mr. BREWSTER. That could have been the same thing—that I made personal purchases.

Mr. KENNEDY. That is right; you made personal purchases.

Mr. BREWSTER. Wait a minute. For some people.

Mr. KENNEDY. Who were the "some people"?

Mr. BREWSTER. Well, there is different people that I wanted to give a personal Christmas present for. That wasn't for my own use. It was for someone else.

Mr. KENNEDY. This, again, is union funds. Are the union members allowed to find out how you spent their money? How——

Mr. BREWSTER. I know I spent it in the right manner.

Mr. KENNEDY. Could you tell us?

Mr. BREWSTER. I went and bought them merchandise and gave to them without going through the gift certificate.

If I can, I like to get them and then figure out who would like a personal gift instead of a merchandise order, and I try and make personal gifts instead of the other type of gift.

Mr. KENNEDY. We go back to the same question, if you can give us any explanation of the \$180.

Mr. BREWSTER. That is all. That is what I believe happened.

Mr. KENNEDY. Here are 5 more, making a total of \$164.80, again which were credited to your account at Littler's.

The CHAIRMAN. Bear in mind, all of these are dated in December 1954, all that have been presented to you. We are trying to ascertain what that check was for, and if you can give any explanation to what it paid for. Please examine those.

Mr. KENNEDY. The last 5 is a total of \$164.80.

(The documents were handed to the witness.)

(The witness conferred with his counsel.)

Mr. KENNEDY. Go ahead.

Mr. BREWSTER. I do not purchase very much at Littler's. About the only thing I buy there is a hat.

Mr. KENNEDY. That is correct. Shirts, ties, binoculars—do you remember getting the binoculars?

Mr. BREWSTER. Yes; I remember getting binoculars.

Mr. KENNEDY. These really are not gifts, Mr. Brewster. You purchased the binoculars, for instance, with the first gift certificates I showed you on August 22, 1955. Did you give those binoculars to someone?

Mr. BREWSTER. Yes; I did.

Mr. KENNEDY. To whom did you give them?

Mr. BREWSTER. I gave them to a fellow by the name of Charles Tate.

Mr. KENNEDY. Mr. Charles Tate?

Mr. BREWSTER. Yes.

Mr. KENNEDY. That is Mr. Charles Tate from Seattle, Wash.?

Mr. BREWSTER. Yes.

Mr. KENNEDY. And he is now port director in San Francisco?

Mr. BREWSTER. That is right.

Mr. KENNEDY. Did you tell him at that time that this was a gift from the Western Conference of Teamsters to him?

Mr. BREWSTER. I did.

Mr. KENNEDY. You told him it was from the Western Conference of Teamsters?

Mr. BREWSTER. Yes.

The CHAIRMAN. Let the Chair make those other certificates there exhibits Nos. 84-A, 84-B, 84-C, 84-D, and 84-E.

(The documents referred to were marked "Exhibits 84-A through 84-E, inclusive," and will be found in the appendix on pp. 1426-1430.)

Mr. KENNEDY. Here are 2 more, making a total of \$92.70.

The CHAIRMAN. You may examine those.

Mr. KENNEDY. It was used partially to renovate your hat.

(The documents were handed to the witness.)

Mr. BREWSTER. I don't remember that instance.

The CHAIRMAN. You recognize those as gift certificates about which you have been testifying?

Mr. BREWSTER. Yes; I do.

The CHAIRMAN. They may be made exhibit No. 85.

(The documents referred to were marked "Exhibits 85-A and 85-B," and will be found in the appendix on pp. 1431-1432.)

Mr. KENNEDY. The total is \$612.85.

The CHAIRMAN. Of all of those that have been shown?

Mr. KENNEDY. That is correct.

The CHAIRMAN. All of those that have been made exhibits total what?

Mr. KENNEDY. \$612.85.

The CHAIRMAN. Proceed.

Mr. KENNEDY. Let me ask you this, Mr. Brewster: When you go on a trip for teamster business, to whom do you make your accounting as far as expenses are concerned?

Mr. BREWSTER. I make it to my secretary.

Mr. KENNEDY. Who would that be?

Mr. BREWSTER. Ann Nielson.

Mr. KENNEDY. Ann Nielson, up in Seattle?

Mr. BREWSTER. Yes.

Mr. KENNEDY. And from whom does she collect for your expenses?

Mr. BREWSTER. The Western Conference of Teamsters.

Mr. KENNEDY. You get your expenses from the Western Conference of Teamsters?

Mr. BREWSTER. I do.

Mr. KENNEDY. Do you ever get your expenses from the Western Conference of Teamsters and then the expenses for the same period of time from anyone else?

Mr. BREWSTER. I alternate. I get some from the International Brotherhood of Teamsters.

Mr. KENNEDY. Let me ask this—

Mr. BREWSTER. I don't get duplicate expenses.

Mr. KENNEDY. You do not?

Mr. BREWSTER. No.

Mr. KENNEDY. You never do that. Why do you get your expenses sometimes from the international and sometimes from the western conference?

Mr. BREWSTER. Because I felt that considerable of my work was international work, and I felt that on most occasions on my expenses they should pay them when I am out of town.

Mr. KENNEDY. So on international work, you get them from the international, and when you are on western conference, you get them from the western conference?

Mr. BREWSTER. That is the idea.

Mr. KENNEDY. But you don't get them from both, duplicate expenses from both?

Mr. BREWSTER. Not duplicate expenses; no.

Mr. KENNEDY. Do you get duplicate moneys?

Mr. BREWSTER. No, not duplicate moneys.

(At this point Senator Goldwater entered the hearing.)

Mr. KENNEDY. Mr. Chairman, could I ask this witness to step aside for a moment and ask Mr. Bellino to step to the stand?

The CHAIRMAN. You may step aside for a moment.

Mr. Bellino, come forward, please.

(Present at this point: The chairman and Senators Ives, Mundt, and Goldwater.)

TESTIMONY OF CARMINE S. BELLINO—Resumed

The CHAIRMAN. Mr. Bellino, you were previously sworn today. You may proceed, Counsel.

Mr. KENNEDY. Mr. Bellino, you have made a study of the expenses of Mr. Frank Brewster, have you not?

Mr. BELLINO. Yes, sir.

Mr. KENNEDY. And you made a study of the expense vouchers that he submitted to the western conference and also to the International Brotherhood of Teamsters?

Mr. BELLINO. Yes, sir.

Mr. KENNEDY. Have you found, from the sample testing that you have made, any duplication of expenses?

Mr. BELLINO. Yes, sir.

Mr. KENNEDY. Could you explain or give us a month, for instance, as an example on that?

Mr. BELLINO. We examined the expense vouchers for the year 1954. For example, on April 2, 1954, the expense voucher submitted to the international brotherhood reflected that he was at Vancouver for 1 day and he charged \$22.50, \$15 for a hotel and \$7.50 for other incidentals.

For the same day, the expense account which he submitted to the western conference reflected \$15 for hotel, \$12.23 for meals, and \$2.27 for other incidentals, or a total of \$29.50, which he received from the western conference for the same day for which he had received from the international \$22.50.

Similarly, on April 5, 1954, he shows a Western Highway Institute conference at Palm Springs, April 5, 6 and 7, 1954, and he charged the international for 3 days, a total of \$67.50. On April 5,

on the expense voucher submitted to the western conference, he showed hotel, \$25; meals, \$10; other incidentals, \$8.25. On April 6, \$25 for hotel, \$5 for meals, other incidentals \$2.50. On April 7, \$11 for hotel, \$8 for meals, and \$3.50 for other incidentals, or a total of \$98.25 paid to him for those 3 days by the western conference, and \$67.50 paid to him by the international brotherhood.

(At this point Senator McNamara entered the hearing.)

Mr. BELLINO. That continues on various days throughout 1954. At the end of 1954, we have a total paid by the western conference of \$1,214.89, and for which on the same days he received \$990 from the international.

Mr. KENNEDY. That is for the same days?

Mr. BELLINO. Yes, sir.

The CHAIRMAN. Those are identical dates?

Mr. BELLINO. These are on the identical dates only. We selected the items where there were identical charges for both dates.

Mr. KENNEDY. Would you give those figures again, please?

Mr. BELLINO. The international brotherhood paid him \$990 and the Western Conference of Teamsters paid him \$1,214.89.

The CHAIRMAN. That is just for 1 year?

Mr. BELLINO. That is just 1 year; yes, sir.

The CHAIRMAN. Have you checked any other years?

Mr. BELLINO. We have scanned 1955, but have not completed the data, but we find a similar pattern.

The CHAIRMAN. The same practice continued in 1955?

Mr. BELLINO. Except that in 1955 he did not charge for a hotel, but the meals would be much greater.

Mr. KENNEDY. You mean on the duplication?

Mr. BELLINO. On the duplication; yes.

The CHAIRMAN. Is there anything further of this witness?

If not, you may stand aside for the present.

Mr. Brewster, you may return to the stand.

(Present at this point: The chairman and Senators Ives, McNamara, Mundt, and Goldwater.)

TESTIMONY OF FRANK W. BREWSTER, ACCOMPANIED BY HIS COUNSEL, JERRY N. GRIFFIN AND JOHN K. PICKENS—Resumed

The CHAIRMAN. Mr. Brewster, you have heard the testimony here of the auditor of the staff who has checked these records. Do you wish to make any comment about it?

Mr. BREWSTER. Yes; I do. I don't believe that is a duplication. I think it is an addition. The international allows a flat amount. If I go anyplace and my expenses that I incur are in addition to that, then that is put down. It might be put down as hotel or additional hotel expenses, or whatever it is. That is in addition to the set amount that the international gives me. By no intent was there ever figured to be duplication.

The CHAIRMAN. Each one of them indicated they were adequate. I mean, the amount of hotel bill, the amount of meals, and so forth. Each separate bill for the same day, either of them would indicate they were adequate.

Mr. BREWSTER. Well, at that time, Mr. Chairman, at that time, down in Palm Springs, I was a VIII, the Western Highway Institute met down there, and that certainly wasn't adequate.

The CHAIRMAN. That is just one time. There were several others.

Mr. BREWSTER. The rooms and so forth that I get, the things that I get in addition to that, expense of those rooms and the things that I have to do in it, the suites and so forth, to have conferences, it isn't ample to take care of it.

The CHAIRMAN. Why isn't it ample? If you are working for the international on a day, and you have your expenses for the international, why can't the international treasury bear the expense, whatever it is? I just don't understand it.

Mr. BREWSTER. Because by constitution they cannot pay any more than that.

The CHAIRMAN. What is the limit under the constitution?

Mr. BREWSTER. It is \$20 a day.

The CHAIRMAN. \$20 a day for expenses? What is the limit of the western conference?

Mr. BREWSTER. No limit.

The CHAIRMAN. No limit. I think if you had submitted more than \$20 a day to the international, they would have paid it; is that correct?

Mr. BREWSTER. I don't—

The CHAIRMAN. Let me ask you, Mr. Bellino, and you are still under oath, whether there were any bills submitted to the international in excess of \$20 a day?

Mr. BELLINO. \$22.50 a day.

Mr. BREWSTER. That is \$15 a day and \$7.50 incidentals. I am sorry. I am glad for the correction.

The CHAIRMAN. All right, it is \$22.50 a day, then?

Mr. BREWSTER. That is right.

The CHAIRMAN. Is there anything further?

Mr. BREWSTER. No, sir.

The CHAIRMAN. Why couldn't you remember that a while ago—

Mr. BREWSTER. What?

The CHAIRMAN (continuing). When we asked you about these duplicate bills for the same day?

Mr. BREWSTER. I didn't remember them until it was drawn to my attention. Now I remember them. I have to have a little lead and a clue. They give that on the \$64,000 question.

The CHAIRMAN. Well, we had a \$99,000 question here this morning. Proceed.

Mr. KENNEDY. Mr. Brewster, I asked you whether you charged the Western Conference of Teamsters and the International Brotherhood of Teamsters when you made the same trips, and you said no, absolutely not:

When I am on western conference business I charge the Western Conference of Teamsters, and when I am on international business, I charge the international for the expenses.

Mr. BREWSTER. Sometimes I am on business for both. They should, in my opinion, probably split.

Mr. KENNEDY. For instance, you have here, "Dear Sir," and I will be glad to show you the letter, December 31, 1953. "I herewith list

my expenses," to the international, "incurred in connection with my attendance at various western conference meetings this month," and then you have 8 days, and you receive \$180, and you say it is western conference meetings.

During the same period of time you were collecting from the Western Conference of Teamsters.

Mr. BREWSTER. That is right.

Mr. KENNEDY. What explanation can you give me?

Mr. BREWSTER. Because I had subject matters that pertained to the international that I was taking up at the western conference. That isn't hard to figure out.

Mr. KENNEDY. And you were charging both of them?

Mr. BREWSTER. I was charging both of them, but they were all being spent. Let's put it that way.

Mr. KENNEDY. I still don't understand, in view of your answer to me of a few minutes ago, where you said that you didn't ever do anything like that.

Mr. BREWSTER. I do not remember. I said to the best of my knowledge; did I not? I didn't say I positively did not. I said to the best of my knowledge I did not charge them both. Then you bring out evidence and I explain the evidence.

Mr. KENNEDY. Did the international know that you were also charging the western conference?

Mr. BREWSTER. I don't know whether I have notified them to that effect or not.

Mr. KENNEDY. Who in the western conference knew that you were charging the international?

Mr. BREWSTER. I discussed it with the policy committee.

Mr. KENNEDY. That doesn't appear in the minutes either, Mr. Brewster.

Mr. BREWSTER. There are a lot of things that don't appear. I make discussions and they probably don't get them down, but I discuss those things. I don't think that that is probably a matter for a motion or something like that. If it is, that is about the main thing that we put down in our minutes.

Mr. KENNEDY. But that is something that costs the union members approximately \$1,000 for the year 1954. Don't you think it deserves some mention in your minutes?

Mr. BREWSTER. Well, I want to say this: It cost them, but it was spent and I didn't put it in my pocket.

Mr. KENNEDY. You are the only one that knows that; isn't that correct, Mr. Brewster?

Mr. BREWSTER. No. Everybody that knows me out in the western part of the country can verify that.

The CHAIRMAN. It appears that we will have to go over until tomorrow. Counsel says we cannot finish today. Since we have to go over until tomorrow, we may be able to get through by noon.

Are there any other questions before we recess?

The committee will stand in recess until 10 o'clock in the morning.

(Those present at time of recess: The chairman, and Senators Ives, McNamara, Mundt, and Goldwater.)

(Whereupon, at 4:30 p. m., the select committee recessed, to reconvene at 10 a. m., Wednesday, March 20, 1957.)

INVESTIGATION OF IMPROPER ACTIVITIES IN THE LABOR OR MANAGEMENT FIELD

WEDNESDAY, MARCH 20, 1957

UNITED STATES SENATE,
SELECTED COMMITTEE ON IMPROPER ACTIVITIES,
IN THE LABOR OR MANAGEMENT FIELD,
Washington, D. C.

The select committee met at 10 a. m., pursuant to Senate Resolution 74, agreed to January 30, 1957, in the caucus room, Senate Office Building, Senator John L. McClellan, chairman of the select committee, presiding.

Present: Senators John L. McClellan, Democrat, Arkansas; Irving M. Ives, Republican, New York; Sam J. Ervin, Jr., Democrat, North Carolina; Pat McNamara, Democrat, Michigan; Joseph R. McCarthy, Republican, Wisconsin; Karl E. Mundt, Republican, South Dakota; Barry Goldwater, Republican, Arizona.

Also present: Robert F. Kennedy, chief counsel to the select committee; Jerome Adelman, assistant counsel; Carmine S. Bellino, accounting consultant; Pierre Salinger, investigator; Alphonse F. Calabrese, investigator; Ruth Young Watt, chief clerk.

The CHAIRMAN. The committee will be in order.

(Present at the convening of the hearing were Senators McClellan and Ives.)

The CHAIRMAN. All right, Mr. Brewster, you may resume the stand.

TESTIMONY OF FRANK W. BREWSTER, ACCOMPANIED BY HIS COUNSEL, JERRY N. GRIFFIN AND JOHN K. PICKENS—Resumed

The CHAIRMAN. There will be no pictures while the witness is testifying, gentlemen.

Mr. GRIFFIN. Mr. Chairman, on page 2511 of the transcript of yesterday's testimony, there is some testimony on that page which Mr. Brewster would like to correct and may he have that privilege.

The CHAIRMAN. The Chair will state that just before opening this session, counsel for Mr. Brewster stated that Mr. Brewster desired to modify or qualify in some way a part of his testimony yesterday.

Mr. Brewster, the Chair was just preparing to give you that opportunity. So if you made some statement yesterday in your testimony that, after reflection, you wish to modify or change, the Chair would give you that privilege.

Mr. BREWSTER. Thank you, Mr. Chairman.

I made a positive statement that in my mind yesterday I knew that I purchased the binoculars for Charles Tate. Whether he has received them or not, I am not too positive. I would like to correct

that statement that I don't know whether he did or whether he did not.

I got thinking of it last night after I left here and I was positive that I bought them for him and I certainly intended to give them or send them to him. I am not too positive whether I did or whether I did not.

I know that I have not been using or have not the binoculars myself.

The CHAIRMAN. I do not recall the testimony exactly. How long ago were you supposed to have bought them?

Mr. BREWSTER. This is August of 1955, Senator.

The CHAIRMAN. You do not know whether he ever received them or not?

Mr. BREWSTER. That is true.

The CHAIRMAN. The only issue in it, I think, is a question of whether it was a personal gift or a gift from the union.

Mr. BREWSTER. It was to be a gift from the union and it wasn't a personal gift.

The CHAIRMAN. It was not a personal gift, but a gift from the union?

Mr. BREWSTER. Yes, sir.

The CHAIRMAN. And you are positive that you bought them?

Mr. BREWSTER. I bought them with that intention of giving them; yes, sir.

The CHAIRMAN. You bought them with the intention of giving them to him, but you do not recall now whether you gave them to him or whether he received them, and you have no knowledge about it.

Mr. BREWSTER. That's right. I am not positive on that particular point.

The CHAIRMAN. Do you know where they are?

Mr. BREWSTER. No; I don't.

The CHAIRMAN. Mr. Kennedy is perhaps more familiar with the matter and I will ask him to take over here.

Mr. KENNEDY. We talked to Mr. Tate last evening, and he said that he had received the binoculars and that he received the binoculars back in the middle of 1955 as you testified. He said that it was his understanding that the binoculars were a personal gift from you, that there was never any discussion of the fact that there was a gift from the Western Conference of Teamsters.

Mr. BREWSTER. Well, I am pretty sure that I did say that because he was very close to the western conference and he had done some favors for them and it certainly wasn't my personal idea to take the credit for it.

The CHAIRMAN. All right.

Mr. KENNEDY. I understand that the western conference had made a donation to his campaign, is that right?

Mr. BREWSTER. Yes, sir, they did.

Mr. KENNEDY. Of \$2,000?

Mr. BREWSTER. That's true.

Mr. KENNEDY. Was he elected or defeated?

Mr. BREWSTER. He was elected but they didn't appropriate the money for him so he was still out of a job.

Mr. KENNEDY. In that connection, the teamsters also donated moneys to Governor Knight's campaign down in California, did they not?

Mr. BREWSTER. Yes, sir; we did.

Mr. KENNEDY. Did you have any discussions with Governor Knight prior to the time that the money was donated?

Mr. BREWSTER. I don't know what you mean by "discussions."

Mr. KENNEDY. Was there any discussion about the State board of labor commissions with Governor Knight?

Mr. BREWSTER. I had no discussions whatsoever with Governor Knight about any appointments.

Mr. KENNEDY. You did not?

Mr. BREWSTER. No.

Mr. KENNEDY. Do you know of anybody in the teamsters who had such a discussion with him?

Mr. BREWSTER. I wouldn't know that, that would be the teamsters themselves down there that would have to answer that.

Mr. KENNEDY. Do you know Mr. Harold Lopez?

Mr. BREWSTER. I know he is on there.

Mr. KENNEDY. And he is president of local 85 of the teamsters?

Mr. BREWSTER. That's true.

Mr. KENNEDY. And he is now a commissioner?

Mr. BREWSTER. He is not president; I think he is business manager. I think that is the correct title.

Mr. KENNEDY. He is now commissioner of the State board of labor commissions.

Mr. BREWSTER. I know that he is a member of that along with Mr. Magna and somebody else.

Mr. KENNEDY. And Governor Knight appointed him to that position?

Mr. BREWSTER. Yes, he did.

Mr. KENNEDY. Was that also after Mr. Tate was defeated? Mr. Tate is from Seattle; is that right?

Mr. BREWSTER. Originally he was from San Francisco, but he had done business in Seattle for possibly 20 years; I would say, roughly.

Mr. KENNEDY. Did you have any discussions with Governor Knight about appointing Mr. Tate to any position?

Mr. BREWSTER. I believe I wrote a letter, I am not sure, or I might have talked to him personally about the qualifications of Mr. Tate.

Mr. KENNEDY. Now, Mr. Tate was brought down from Seattle and appointed port director of San Francisco by Governor Knight?

Mr. BREWSTER. He went back to his home in San Francisco, and he was appointed there.

Mr. KENNEDY. How long had he been living in Seattle prior to that time?

Mr. BREWSTER. He was born and raised in San Francisco, and he lived there until about the last 20 years and then he went down. I think it was 15 or 20 years; I am not positive.

Mr. KENNEDY. Up in Seattle?

Mr. BREWSTER. Yes, sir.

Mr. KENNEDY. Prior to the time he was appointed port director of San Francisco?

Mr. BREWSTER. That's true, but his intentions were to go to San Francisco anyway.

Mr. KENNEDY. You raised his name and so I thought we might bring in these other facts.

Mr. BREWSTER. And incidentally, Counsel, I think he has done a wonderful job, and I am glad I recommended him to some degree.

Mr. KENNEDY. Mr. Chairman, here is the check of \$2,000 to Mr. Charles Tate.

The CHAIRMAN. It is signed by Mr. Brewster, and we will present it to him.

(The document was handed to the witness.)

The CHAIRMAN. Do you recognize the check, Mr. Brewster?

Mr. BREWSTER. The check is for Charles Tate, in the sum of \$2,000 made out on October 12, 1954, signed by myself and John J. Sweeney.

The CHAIRMAN. The Chair is not quite certain. What was that check for?

Mr. BREWSTER. Campaign expenses.

The CHAIRMAN. Campaign expenses?

Mr. BREWSTER. Yes, sir.

The CHAIRMAN. All right, that may be made exhibit No. 86.

(The document referred to was marked "Exhibit No. 86" for reference and will be found in the appendix on p. 1433.)

(At this point in the proceedings Senator McNamara entered the hearing room.)

Mr. KENNEDY. Now, Mr. Brewster, also, when you testified yesterday you were discussing the welfare and pension funds, I believe.

Mr. BREWSTER. Yes, sir.

Mr. KENNEDY. Whom did you say was the insurance company that handles this welfare and pension funds?

Mr. BREWSTER. There are two insurance companies, the Pacific Mutual and the Occidental.

Mr. KENNEDY. What is the amount of the fund in those insurance companies?

Mr. BREWSTER. What is the amount of the fund?

Mr. KENNEDY. Yes; how much money is involved in your pension and welfare fund?

Mr. BREWSTER. Well, I haven't those figures.

Mr. KENNEDY. Approximately, do you know?

Mr. BREWSTER. I would just be really guessing if you asked me that, and I don't know. It increases from time to time, but the health and welfare usually keeps along just about even, and in fact from the inception of this we set up a schedule of benefits.

With the increase in hospital rooms, wonder drugs, and so forth, it has been necessary to increase the amount of money that we first decided on, which was 5 cents. We have some funds that are just going along about even and some of them have accumulated probably two to three hundred thousand dollars.

Mr. GRIFFIN. Mr. Chairman, this is not an objection, but I think Mr. Kennedy's question, if I understood it, he said, "welfare and pensions." Now, I think that he meant "health and welfare."

Mr. KENNEDY. That is correct.

Mr. GRIFFIN. What he has been talking about yesterday was pensions, and this is just to get the record straight.

The CHAIRMAN. Thank you very much. Let the Chair get straight on this. There have been so many funds mentioned, special funds, and unemployment relief funds and health and welfare funds and pension. Are the health and welfare funds separate funds?

Mr. BREWSTER. They are.

The CHAIRMAN. Are they kept in separate accounts?

Mr. BREWSTER. They are.

The CHAIRMAN. How is the health and welfare fund supported? What is its source of revenue?

Mr. BREWSTER. By an amount of money that is received from the employers. It is embodied in the contract.

The CHAIRMAN. In all of the health and welfare funds, it all comes from the employer?

Mr. BREWSTER. Yes, sir.

The CHAIRMAN. None from the union member?

Mr. BREWSTER. None from the union members.

(At this point in the proceedings Senator Mundt entered the hearing room.)

The CHAIRMAN. The amount then, is determined by each contract you may make with an employer?

Mr. BREWSTER. That is true.

The CHAIRMAN. Do those amounts vary?

Mr. BREWSTER. The amounts of the health and welfare?

The CHAIRMAN. The amount charged to the employer. In other words, do the employers all pay on the same basis or is that a matter of negotiated amount in each instance in the particular contract between the union and that particular employer?

Mr. BREWSTER. Mr. Chairman, they vary in different localities. There are different amounts.

The CHAIRMAN. That is what I mean. In some localities, perhaps, the employer will pay an amount of so much per employee and in another locality maybe another employer with whom you have a contract will pay a different amount per employee.

Mr. BREWSTER. That is true.

The CHAIRMAN. That is correct, is it?

Mr. BREWSTER. Yes, sir.

The CHAIRMAN. I am trying to get the structure of it.

Mr. BREWSTER. That is correct.

The CHAIRMAN. So all of those funds, whatever they are, are received from the employer?

Mr. BREWSTER. That's correct.

The CHAIRMAN. As a part of the benefits and as a part of the fringe benefits, we will call them, that are in addition to the wages that the employer is required to pay.

Mr. BREWSTER. Yes, sir.

The CHAIRMAN. Now, let us take the pension fund.

Senator MUNDT. Before you leave that point—

The CHAIRMAN. I am just trying to get this record clear regarding these funds.

Senator MUNDT. Within the communities, do the rates and the contracts vary among the various employers, or are all employers bound by the same type of contract within a certain community or area?

Mr. BREWSTER. Senator Mundt, it all depends on the industry itself. If they have a small pension, I will give you a concrete example.

The taxi industry probably is the most hazardous industry as far as health and welfare is concerned. Some of the men are physically in a position where they need more attention and their death rate is

higher and their membership is low, and that has an experience that is considerably more.

In some areas we embody the taxi drivers organization into what we term a general fund that is agreed by the employers, that it might be miscellaneous of over-the-road drivers, taxi driver, and a portion of milk in different areas and so forth.

By having a large fund we are able to keep the amount that is paid into it down. But it isn't necessarily so. Like Los Angeles, the rates seem to be higher in Los Angeles than they do in the northwest. The hospital rates are higher and the doctors' rates seem to be higher.

Senator MUNDT. I am trying to get a clarification of my understanding of what you told the chairman. I was trying to determine whether or not your contracts within Seattle for different employers on pensions were the same or whether they tended to take on similarity within industries rather than by communities.

That is, if you can clarify that.

Mr. BREWSTER. I would say that in Washington and Oregon our amounts are, I believe, the same in every instance because we do it on a base where we bring it in collectively.

In southern California and some in northern California, they vary.

Senator MUNDT. I understand that in Washington and Oregon their rates are the same for all employers, regardless of what industry they are in.

Mr. BREWSTER. I believe that is correct. I think the last one negotiated was \$10.40 a month.

Senator MUNDT. That applies to all industry whether it happens to be a bakery or department store or taxicab company?

Mr. BREWSTER. That is true.

Senator MUNDT. Or whatever it is.

Mr. BREWSTER. That is true.

Senator MUNDT. It is not done by industries, it is done by geographical areas?

Mr. BREWSTER. That is what we have tried to do and we have been more successful in Washington and Oregon than we have in the southern part of the country.

Senator MUNDT. I am just asking that out of simple curiosity. It would seem to me that some industries might be able to pay higher pensions than other industries and I do not know. Some of them are profitable both for the employer and maybe for employee and your phase of business in certain industries might be more important than incidental hauling in another.

That is why I wondered if it might vary by industries.

Mr. BREWSTER. We tried to work that theory, Senator Mundt, on wage scales, but it doesn't work.

Senator MUNDT. It is mostly geography, then?

Mr. BREWSTER. When an employer is in a lucrative industry, we can't go and say, "You're making a lot of money. We want a lot more for your truck drivers."

Senator MUNDT. You do not follow the "ability to pay" theory that is supposed to apply in taxes?

Mr. BREWSTER. No, sir.

The CHAIRMAN. Did I understand you to say the amount collected from employers in the northwest area for health and welfare is \$10.40 per month?

Mr. BREWSTER. I believe that is the amount.

The CHAIRMAN. Now, this fund is a very large fund, on the basis of \$10.40 per month for each employee. Tell me who administers that fund and who is the trustee of it after you receive it.

Mr. BREWSTER. The trustee is equally represented by members of the employer and the employees.

The CHAIRMAN. In other words, there is a board or a group of trustees set up for the fund?

Mr. BREWSTER. That is true.

The CHAIRMAN. With equal representation of the employer who pays it, and of the union that collects it?

Mr. BREWSTER. That is true.

The CHAIRMAN. Now, let us go to the pension fund. How about the pension fund? What is the source of it?

Mr. BREWSTER. It is developed by the amount of 10 cents per member.

The CHAIRMAN. Ten cents per what?

Mr. BREWSTER. Per member, per month.

The CHAIRMAN. Who pays that?

Mr. BREWSTER. The employer pays that.

The CHAIRMAN. And the employer pays that 10 cents per month?

Mr. BREWSTER. Yes, sir, and now there is one exception. The trucking industry which embodies the 11 Western States pays 5 cents until their contract has expired and then that will go up to 10 cents. That was one of the first ones that was negotiated.

The CHAIRMAN. So, in other words, all of the pension funds, like the welfare fund, comes from the employer?

Mr. BREWSTER. Can I explain that a little more in detail?

The CHAIRMAN. You may, but I am trying to get the facts.

Mr. BREWSTER. It comes, everything we get comes from the employer.

The CHAIRMAN. But I mean that is again another fringe benefit?

Mr. BREWSTER. That is true.

The CHAIRMAN. In contrast to direct wages?

Mr. BREWSTER. That is right.

The CHAIRMAN. So now, what other fund do you have? May I ask you first, is this administered by the same way, the pension fund, as the health and welfare fund, by a joint board?

Mr. BREWSTER. By a joint board, yes, with equal representation.

The CHAIRMAN. They are both administered the same way?

Mr. BREWSTER. That is true.

The CHAIRMAN. Now, what other funds or accounts do you have where all of the money is paid by employers?

Mr. BREWSTER. That's all.

The CHAIRMAN. Those two are the only two where all of the money is paid by employers?

Mr. BREWSTER. Yes, sir.

The CHAIRMAN. Now, what other funds do you have that may come from the membership of the union exclusively?

Mr. BREWSTER. We have a pension for the full-time employees of the union.

The CHAIRMAN. That is where they are employed by the union?

Mr. BREWSTER. Yes, sir.

The CHAIRMAN. You have a pension fund for those?

Mr. BREWSTER. Yes, sir.

The CHAIRMAN. Like the administrative and clerical help in operating the union headquarters and the union locals and so forth?

Mr. BREWSTER. Not the clerical help, just the secretaries, the paid personnel that are out in the field for the local unions themselves.

The CHAIRMAN. Where do you get the source of revenue to support that special pension fund?

Mr. BREWSTER. That comes from a payment from the local unions into this fund.

The CHAIRMAN. In other words, out of the dues collected by local unions you assess local unions a certain amount to go into this pension fund for the administrative or professional staff of those who administer the union, is that correct?

Mr. BREWSTER. That's correct.

The CHAIRMAN. In other words, the members, the working men, have to contribute to a fund for a pension for their administrative officials and so forth?

Mr. BREWSTER. Like the employers do for the employees, yes.

The CHAIRMAN. Do those who participate in this fund such as you and your assistant, make any contribution to it?

Mr. BREWSTER. Yes, sir.

The CHAIRMAN. So it comes from the locals and from contributions that you make?

Mr. BREWSTER. That is true.

The CHAIRMAN. What is the ratio there?

Mr. BREWSTER. It is based upon your age and so forth. It works out about 60-40.

The CHAIRMAN. By what formula do you assess locals to contribute to this fund?

Mr. BREWSTER. Based upon their membership.

The CHAIRMAN. The number of members then, determines the amount of their contributions?

Mr. BREWSTER. That is true.

The CHAIRMAN. All right. Are there any other funds now?

Mr. BREWSTER. No, sir; not to my knowledge.

The CHAIRMAN. There are no other funds at all?

Mr. BREWSTER. I can't think of any.

The CHAIRMAN. We have covered health and welfare that comes from the employer and the pension fund that comes from the employer, and then we have covered pension funds for certain administrative officers and so forth of the union who work for the union.

Mr. BREWSTER. There are about 1,000 of them.

The CHAIRMAN. 1,000 of those?

Mr. BREWSTER. Roughly speaking.

The CHAIRMAN. Now, are there any other special funds?

Mr. BREWSTER. Not that I know of.

The CHAIRMAN. No others?

Mr. BREWSTER. No.

The CHAIRMAN. What about special funds for political purposes or special accounts such as we discussed yesterday. How does that originate?

MR. BREWSTER. In the Western Conference of Teamsters, we haven't any special fund in the Western Conference of Teamsters at the present time.

THE CHAIRMAN. How did these special accounts originate that we discussed yesterday?

MR. BREWSTER. They originated in executive boards in the local unions.

THE CHAIRMAN. The executive board set that up?

MR. BREWSTER. Yes, sir.

THE CHAIRMAN. And supported it by checks out of the regular treasury?

MR. BREWSTER. That's true.

THE CHAIRMAN. All right. Now, we had an unemployment relief fund yesterday that we discussed, too. Is that a regular fund?

MR. BREWSTER. That has been discontinued.

THE CHAIRMAN. Sir?

MR. BREWSTER. That has been discontinued in 1953, the latter part.

THE CHAIRMAN. It was discontinued in 1953?

MR. BREWSTER. Yes, sir.

THE CHAIRMAN. When was it initiated?

MR. BREWSTER. I think about 1943 to 1944, in there somewhere, and I wouldn't exactly know.

THE CHAIRMAN. Now, how was that fund supported?

MR. BREWSTER. It was supported by the executive board voting to put it into effect.

THE CHAIRMAN. In other words, it is supported just like the special fund that we discussed yesterday, by taking money out of the regular treasury?

MR. BREWSTER. That's true.

THE CHAIRMAN. And putting it into that?

MR. BREWSTER. Yes, sir.

THE CHAIRMAN. Now, I have one other question along that line. While I am at it. Did you ever have, or do you know now, and I think I asked you this yesterday, but we have had time to think about it—did you ever have a special account for either the special account about which you testified yesterday, or for the unemployment relief fund, about which you testified yesterday? Did you ever have a special account in any bank anywhere for either of those funds?

MR. BREWSTER. I believe I testified yesterday that I did not know and I have not had a chance to check.

THE CHAIRMAN. You see, Mr. Brewster, if you had those funds over a period of 10 years, in the high position you occupy, it does seem that you would know about it.

If you had a bank account, you are secretary and treasurer and you are president now, and having these positions, it would seem that you would know about it. If you say you do not, that is it.

MR. BREWSTER. I say I don't at the present time.

THE CHAIRMAN. Senator Ives had a question.

SENATOR IVES. I have a few questions to ask Mr. Brewster. I am rather interested in your pension and welfare funds, Mr. Brewster, due to the fact that in the last two Congresses we had a subcommittee of the Committee on Labor and Public Welfare here in the Senate investigating in that field.

I would like to ask you a few questions in connection with your own setup. How is that agreement reached between the employers and the union? Is it by collective bargaining?

Mr. BREWSTER. Yes, sir.

Senator IVES. It is a part of the contract, I take it.

Mr. BREWSTER. That is true. Usually, Senator Ives, it has paid the employers many, many times. I don't think that it could be termed that it was absolutely—it is negotiated in one sense of the way, but it isn't negotiated exactly separately. We negotiate, we will say, a package of 15 cents and then we have the privilege of taking that, which the membership votes on, 10 cents and putting it into a pension fund.

We have negotiated moneys and we divert that part and make it a part of the agreement.

Senator IVES. Wait a minute on this diversion. You negotiate 15 cents and you take just 10 cents, and is that a correct statement or is that hypothetical?

Mr. BREWSTER. Well, that is usually the way that we negotiate.

Senator IVES. What happens to the nickel?

Mr. BREWSTER. That goes right on the wage scale itself.

Senator IVES. On the wage scale itself?

Mr. BREWSTER. Yes, sir.

Senator IVES. I see.

Mr. BREWSTER. A lot of times some employers, as they have in the past, would probably rather pay the money than to be bothered with the pension on health and welfare when we started. We found that several employers had paid that and they still were up against negotiations as far as the health and welfare was concerned and the pensions.

Senator IVES. You say that this fund, or these funds, the welfare and the pension funds, are administered by a joint board, is that it?

Mr. BREWSTER. Yes, sir.

Senator IVES. Made up of members of the union and the employers?

Mr. BREWSTER. Usually the officials, the secretary of the local union of the contract and possibly the executive board of the employers association.

Senator IVES. That is what I wanted to ask some questions about. Are you a member of the union part of that board, yourself, or have you ever been?

Mr. BREWSTER. Yes, sir, I have been.

Senator IVES. Are you acquainted with the functioning of the board?

Mr. BREWSTER. Yes, sir.

Senator IVES. Are you acquainted with the investments in which the moneys so raised are placed?

Mr. BREWSTER. Yes, sir.

Senator IVES. What are they?

Mr. BREWSTER. Any surplus money must be deposited in national banks.

Senator IVES. You do not mean to tell me that you have a pension and welfare fund, and that is another question I was going to ask—

Mr. BREWSTER. They are two different funds.

Senator IVES. I am talking about that, the pension and welfare funds. You do not mean to tell me that you have got them so that

they are just balancing, so that you are taking out as much as you are putting in currently, all of the time.

(At this point in the proceedings, Senator McNamara entered the room.)

Senator IVES. You are not building up any reserves, is that correct?

Mr. BREWSTER. It is correct in some cases and incorrect in others. Some plans and pensions—I don't think we should get them confused, if we just talk about health and welfare so that I won't get confused.

Senator IVES. Well, stick to that and we will get to pensions afterward.

Mr. BREWSTER. Health and welfare—there are some funds that are building up and that is invested and put into banks and it is only invested in that manner.

Senator IVES. Now wait a minute. By "invested and put in banks" do you mean it is a bank deposit?

Mr. BREWSTER. No, I mean drawing interest in the banks.

Senator IVES. That is a bank deposit, deposited in the bank.

Mr. BREWSTER. I would say a savings account. Maybe that would be proper.

Senator IVES. It is a bank deposit.

Mr. BREWSTER. Yes, sir.

Senator IVES. Is it not placed in Government bonds, or anything of that kind, or is there not a sufficient amount of money?

Mr. BREWSTER. No, sir, it is not.

Senator IVES. How much does it amount to? I am talking about your health and welfare funds, or fund.

Mr. BREWSTER. They are funds, and there are many funds.

Senator IVES. How much do they amount to in the aggregate there in the Western Conference?

Mr. BREWSTER. Every fund that is set up is set up differently and some funds are healthy and some funds are sour.

Senator IVES. Well, do you not have any idea in aggregate what they amount to, the reserves?

Mr. BREWSTER. That would certainly be a rough guess. I know one fund where there is in excess of \$300,000.

Senator IVES. That is all in cash in the bank?

Mr. BREWSTER. It is all in the savings account in the bank, with the exception of just, I don't know, probably \$10,000 or \$12,000.

Senator IVES. I thought from what had been said about the teamsters that your funds were far greater than that, in that particular field.

Mr. BREWSTER. Wait, that is just one union.

Senator IVES. I understand, but I am trying to find out how much the teamsters have in all of these funds and he does not seem to know.

Mr. BREWSTER. No, I don't know because they are done in a local level, the health and welfare.

Senator IVES. Now, to get down to the next question, are you reporting this to the Secretary of Labor, or the Labor Department in your reports you are making on the financial operations of the union? They ought to have a record of it. Somewhere there ought to be a record.

Mr. BREWSTER. I believe there is a separate report made on all health and welfare and pension funds.

Senator IVES. When they are jointly administered?

Mr. BREWSTER. I think so.

Senator IVES. Now, I do not know about that, whether you would have to do that. None of that comes from the union, that is what I am trying to find out.

Mr. BREWSTER. There is no profit in it. It is kept separate, and there is no profit in that, in any manner that goes into the union at all.

Senator IVES. Now, let us turn to this angle: Do you think there should be a report made on those funds somewhere where the Government is concerned?

Mr. BREWSTER. Certainly, I do.

Senator IVES. Well, all right. Then, I will not go into your pension business because I take it that is along the same lines as this, only much less proportionately.

Are you in favor of legislation that would require that?

Mr. BREWSTER. I am in favor of legislation that will protect that money to the fullest extent.

Senator IVES. All right. We have two bills then, either one of which will probably do that right now.

Mr. BREWSTER. It is certainly all right with me.

Senator IVES. We are in a position where we can go ahead with that legislation this year, as soon as we get around to having some hearings on them. You would be in favor of legislation of that type?

Mr. BREWSTER. I certainly would not oppose it.

Senator IVES. I think all labor organization leaders are in favor of it, as far as I know. I have not found anybody that is not in favor of it.

Mr. BREWSTER. I am.

Senator IVES. Well, I am very grateful to you for giving me this information about the way in which you are handling these matters. I still do not know how you are doing it, and I still do not know what part of this the employers are participating in.

You say they are participating with you and yet labor people themselves take board action. Is it actually true? Are most employers actually participating or are they not?

Mr. BREWSTER. On the board, you mean?

Senator IVES. In the investment of this money.

Mr. BREWSTER. Absolutely.

Senator IVES. Some of it is put in bank deposits or is it not?

Mr. BREWSTER. Absolutely, they are.

Senator IVES. Did you find any reluctance on the part of the employers to do that?

Mr. BREWSTER. Not a bit.

Senator IVES. That is one of the things we have run into over the years.

Mr. BREWSTER. We don't find it out there at all.

Senator IVES. You never have been approached on having some kind of an insurance setup created?

Mr. BREWSTER. No, sir.

Senator IVES. You have not gone into that angle of it at all?

Mr. BREWSTER. I have not.

Senator IVES. All of this money is in bank deposits?

Mr. BREWSTER. That's right.

Senator IVES. Thank you very much.

The CHAIRMAN. I have just one question that I am not quite clear about. Where do the insurance companies come into play in this program? You have been talking about some insurance companies here.

Mr. BREWSTER. Insurance companies bid on this account or these accounts.

The CHAIRMAN. They bid on them, how?

Mr. BREWSTER. Bid on them, on how much they will do them for. In other words, when we have, we'll say—

The CHAIRMAN. You mean administer them?

Mr. BREWSTER. Oh, no; the handling of the money themselves.

The CHAIRMAN. That is kind of an administration, handling of the money.

Mr. BREWSTER. Well, receiving the money. We have all insured plans, Mr. Chairman. We haven't any administered plans that the employers and ourselves administer. That is all of the plans that we have and I believe wholeheartedly that all plans should be administered through insurance companies.

The CHAIRMAN. I am not challenging it. I am trying to understand it.

Mr. BREWSTER. We have not any plans that we administer to the point that they are administered by themselves. Even with employer and employee representatives, all of our plans are insured plans. Our plans work through an insurance company.

The CHAIRMAN. In other words, it is like reinsurance and you get the money and you are responsible for it?

Mr. BREWSTER. It is more positive insurance.

The CHAIRMAN. We will come back to that later.

Senator McNAMARA. I presume when you are talking about these funds in connection with insurance companies, now, you are talking only about the pension fund; is that right?

Mr. BREWSTER. No, I was talking about first health and welfare.

Senator McNAMARA. Health and welfare is also administered and do insurance companies enter into health and welfare funds?

Mr. BREWSTER. Oh, yes.

Senator McNAMARA. What insurance company? Is it Prudential, for instance?

Mr. BREWSTER. No, the Prudential is not in it at the present time. It is the Occidental and Pacific Mutual. The Occidental has the largest amount of insurance, and they were the first ones to get into the field, but we put out bids when we get a new account and so forth.

Senator McNAMARA. But on your pension fund, you mentioned that in connection with Prudential or something like that.

Mr. BREWSTER. That is Prudential has the entire amount of that because it is about the only way we can do it.

Senator McNAMARA. You were discussing at some length, yesterday, your connection with these various funds, and you said among the 4 or 5 locals that were in trusteeship, or in that area, you were an officer of the fund by virtue of your trustee position.

Mr. BREWSTER. That's true.

Senator McNAMARA. Now, is 174 one of the locals under trusteeship?

Mr. BREWSTER. It is not.

Senator McNAMARA. It is not?

Mr. BREWSTER. No; it never has been.

Senator McNAMARA. Then, did you represent 174 or do you now represent 174 as one of the administrators?

Mr. BREWSTER. I am one of the trustees for 174.

Senator McNAMARA. Were you elected to that job by the membership of 174?

Mr. BREWSTER. Yes, sir.

Senator McNAMARA. During 1951 you had about 6,500 members in local 174. I suppose you have considerable more at this time?

Mr. BREWSTER. No; we took a specialized part of our organization and chartered a separate charter for it.

Senator McNAMARA. You divided it up into two locals?

Mr. BREWSTER. We took a group of which are line drivers, specialized line drivers, and they have a membership of about 1,500. I think now that the membership of 174 might go between 5,500 and 6,000.

Senator McNAMARA. You indicated that this was sort of a miscellaneous group.

Mr. BREWSTER. Of the road driver, you mean?

Senator McNAMARA. The membership of 174.

Mr. BREWSTER. That's true. It is everybody that is not in a specialized group, such as mill, laundry, bakery, and so on.

Senator McNAMARA. I was particularly concerned with whether or not this was a trusteeship local, and I find now that it is not.

Mr. BREWSTER. It never has been.

Senator McNAMARA. All right.

Senator MUNDT. Before counsel begins his questioning, I have a question. You can relax for a minute, and this does not affect you, Mr. Brewster.

Earlier in these hearings, Senator McNamara and I were publicly assigned to conduct an investigation, and since this was initiated publicly, I think that it should be concluded publicly and be made a part of the record.

It involves the employment suitability of one Robert William Greene. Senator McNamara and I made a preliminary report, and after our investigation we recommended he be continued on the committee staff, but asked the FBI to conduct a Federal investigation. They have reported back to the committee now, and Senator McNamara and I are pleased to report that Mr. Hoover's letter does not provide any adverse information on Robert William Greene.

So we recommend his continuation with the committee and that our little subcommittee be discharged.

The CHAIRMAN. Gentlemen, you have heard the report. I believe we have a quorum. There are four of us here.

Is there any objection to the report being received and the subcommittee discharged?

As the Chair hears none, it is so ordered.

Proceed.

(Present at this point in the proceedings were Senators McClellan, Ives, McNamara, and Mundt.)

Mr. KENNEDY. Mr. Brewster, just in connection with Senator McNamara's questions, how many of the unions in the Western Conference of Teamsters are in trusteeship?

Mr. BREWSTER. I think there are about 40 to 44, somewhere in there. They are coming out as fast as we can. The last count that I made, I think was 44, or the last check.

Mr. KENNEDY. It is about 20 percent of your unions in the 11 Western States that are in trusteeship?

Mr. BREWSTER. Roughly speaking, that would be it. There are 246 locals.

Senator MUNDT. How do they get out? Do they get out on their own initiative or do you have to let them out?

Mr. BREWSTER. It is a combination of both. I would like to say this in regard to trusteeships: I am very much opposed to trusteeships for any long period of time. When a new local union is chartered, I believe that it should be for a period of 2 years, because our constitution says that a man should be in the organization for 2 years and give the person an opportunity to acquaint himself with the organization himself.

To give you a concrete example of what just happened with local 174, that was chartered or taken out of 174 and got a separate charter, for 2 years that was under trusteeship. At the end of 2 years that came out of trusteeship immediately, and there was an election and the same officers that conducted the business for 174 for 2 years were reelected.

I think with one exception—that was a member of the trustees. Now, some of these local unions are financially unsound and they are in areas where they have to be subsidized. I think it is necessary that in that vicinity it is under trusteeship to the head of that area.

I bring this up every 6 months, and I ask for a report from the international, and I go over at our policy meeting and want to know the progress they have made, so that in their opinion they feel they are substantially strong enough and built up a good enough membership to go on their own.

Senator MUNDT. Does a local which finds itself in trusteeship have to do anything beyond developing a record of solvency in order to get out of trusteeship?

Mr. BREWSTER. Solvency and possibly good leadership, yes; and things of that kind. I have had instances where I could refer to one local union in Bellingham that had three trustees, and we had to help finance the local continuously.

I finally found one man that went up there, and he was there and he did a wonderful job, and within 2 years it was taken out of trusteeship and he has been elected ever since.

This is several years back, and that is one of the best small local unions in the State of Washington. It was the leader himself that did it.

Senator MUNDT. The one union under trusteeship with which this committee has some familiarity is this one involved with these hearings in Portland, in connection with the pinball operations.

As I remember, Mr. Hildreth was the secretary of that union in trusteeship and reported that they had not had an election for 5 years.

I am wondering how you develop good leadership, or leadership of any kind that you can check as to its value if they do not have any elections under a trusteeship.

(At this point in the proceedings, Senator Ervin entered the hearing room.)

MR. BREWSTER. I don't think that you really do, Senator. That is one of the things that I am opposed to trusteeships for, because I don't believe that it inspires the officer himself to get out and do a good job.

That is one of my main reasons for, as soon as it is possible, to get them out of trusteeship, to do so. I haven't gone into that particular local union, but I will say this, that Oregon has done a better job, on an average, of taking local unions out of trusteeship than any other State in the 11 Western States.

I think that they have something like 4 at the present time, and I believe they had 8 about 2 years ago. They cut theirs in two.

SENATOR MUNDT. We were having a discussion yesterday and wound up with a question on which you sought additional time to make an answer, and I am not going to press you for your answer this morning. Do you remember what the question was, about the franchise of the union member and his right to exercise his greatest of all American heritages, the right of self-determination in polling places?

Now, beyond that, it seems to me that a union member in a local which is under trusteeship not only gets himself caught in the trap that I was deploring yesterday, where he was compelled to pay a union tax to support a candidate that he might oppose, but that actually the union member in a trusteeship just does not even have any control over his own union; does he? He is just paying dues, and while he is under a trusteeship he has no choice of his own local officers or anything else, as I understand it.

MR. BREWSTER. As a whole, that isn't exactly true. I recommend that other than the person that is the head of it, and everything has to have a head, the head of that organization be appointed for a reasonable period of time and all of the other officers elected.

Although, under the charter the trustee has the right to appoint all officers, I am not in favor of it.

SENATOR MUNDT. I can understand in a new union you have to have a certain period in which it can prove itself, but after it has been established then it would seem to me that the union members under the trustee should certainly have a right to elect their local leaders and let them demonstrate their capacity to be good leaders, and let the leaders demonstrate their capacity to function.

MR. BREWSTER. I agree with you wholeheartedly.

SENATOR MUNDT. But your charter, you say, does not provide for that. Personally you favor it but the charter does not provide it.

MR. BREWSTER. It does not provide it.

SENATOR MUNDT. Would that not be a good constitutional amendment to include it in your constitutional revisions that you are going to have here shortly?

MR. BREWSTER. I believe in some instances that it would be necessary to possibly appoint a full board. I have an example that several years ago I was called back into Seattle, that a rump group in the taxi industry in Seattle had called a strike, and there were only about 30 or 40 of them, out of a membership of about 500, and they forced the other members to take their cabs in and tie it up.

I think that needed a cleaning house all together.

SENATOR MUNDT. I presume, in doing that, this rump group had violated something or other, either your constitution or your bylaws, or your charter, or something?

Mr. BREWSTER. That's true.

Senator MUNDT. So that they were subject to disciplinary action.

Mr. BREWSTER. And some of the members of the board were involved.

Mr. KENNEDY. How long has that taxicab union been in trusteeship?

Mr. BREWSTER. I believe 1944.

Mr. KENNEDY. So that is about 13 years?

Mr. BREWSTER. Thirteen years.

Mr. KENNEDY. And you are a trustee?

Mr. BREWSTER. I am a trustee and I would like to say that I think 2 or 3 years ago it came up to a vote and the membership voted to keep it in trusteeship.

Mr. KENNEDY. What percentage of members voted at that meeting?

Mr. BREWSTER. I wouldn't know that but they hold meetings so that everyone can attend and they hold two meetings. They hold a morning meeting and a night meeting.

Mr. KENNEDY. How many members come to the meeting?

Mr. BREWSTER. I am not sure.

Mr. KENNEDY. Are you not a trustee?

Mr. BREWSTER. Yes, but I don't check how many members come.

Mr. KENNEDY. Do you not attend the meetings?

Mr. BREWSTER. I do when I am in town and the vice president takes over when I am not there.

Mr. KENNEDY. When was the last meeting you attended of the taxicab drivers?

Mr. BREWSTER. It has been more than a year.

Mr. KENNEDY. And you are the trustee of the union?

Mr. BREWSTER. I am the trustee.

Mr. KENNEDY. And you cannot tell us how many members attend the meetings?

Mr. BREWSTER. No, I cannot tell you how many attend the meetings, but I think they are along the average of any other local union and I think the percentage is small. I don't think it is near 50 percent, but those are the people.

Mr. KENNEDY. How many members do you have in the taxicab union?

Mr. BREWSTER. It is close to 600, I believe.

Mr. KENNEDY. And you have no idea how many attend the meeting?

Mr. BREWSTER. No, I don't any more than I have any idea of probably any other local.

Mr. KENNEDY. What percentage of the membership in the Western Conference of Teamsters, what percentage of the membership is under trusteeship?

Mr. BREWSTER. I think you just quoted it.

Mr. KENNEDY. I asked you what percentage of the locals were under trusteeship and it was about 20 percent.

Mr. BREWSTER. The membership, that would be a rough one to break down. They are more or less small locals.

Mr. KENNEDY. Do you have any idea?

Mr. BREWSTER. I don't think that it would be over 8 percent.

Mr. KENNEDY. About 8 percent?

Mr. BREWSTER. I think that is right.

Mr. KENNEDY. Of the membership?

Mr. BREWSTER. I am making a rough guess.

Mr. KENNEDY. Would you get us the figure? Would you get those figures for us?

Mr. BREWSTER. I think that I can get them, surely.

Mr. KENNEDY. Would you provide them for the committee?

Mr. BREWSTER. Yes, sir.

The CHAIRMAN. You can submit that by letter when you get home, Mr. Brewster, if you will, please, sir.

Mr. BREWSTER. I will try and contact our office here and have them send in a letter to that effect because that can be checked probably better in the local office than in the western office because I will have to check with the international office, myself.

The CHAIRMAN. The source of the information is immaterial and get it as accurately as you can and submit it.

Mr. BREWSTER. I will do the best I can.

Mr. KENNEDY. Now, going back to this health and welfare funds and the pension fund, is there a brokerage arrangement on those, on any of those funds?

Mr. BREWSTER. There is a broker and a representative of the organization.

Mr. KENNEDY. He is a broker on which fund—the health and welfare?

Mr. BREWSTER. There is a setup of a broker on health and welfare and another different setup on pensions.

Mr. KENNEDY. Is it the same broker in both?

Mr. BREWSTER. One of the same brokers is in the pension plan with a man by the name of Sandy Bernbaum. They are George Newell and Sandy Bernbaum. George Newell is the broker of the health and welfare.

Mr. KENNEDY. He is the broker of the health and welfare?

Mr. BREWSTER. Yes, sir.

Mr. KENNEDY. Now, approximately what is his income each year from the health and welfare fund?

Mr. BREWSTER. His brokerage is paid through the insurance company.

Mr. KENNEDY. Approximately what is his fee each year?

Mr. BREWSTER. I believe it runs approximately \$300,000.

Mr. KENNEDY. About \$300,000?

Mr. BREWSTER. I would say that.

Mr. KENNEDY. The figure that we have is that it runs between four and five hundred thousand dollars, is that right?

Mr. BREWSTER. There is 25 percent of that or one-fourth of that that goes to the City of Hope Hospital, so that will cut it down, probably, to what I said, about what I said.

Mr. KENNEDY. About \$300,000?

Mr. BREWSTER. I think that is right.

Mr. KENNEDY. That he receives each year in brokerage fees?

Mr. BREWSTER. Yes.

Mr. KENNEDY. It has been established, Mr. Brewster, that you received from Mr. George Newell, in the years, 1951, 1952, and 1953 approximately a little over \$5,000 in Affiliated Fund, Inc., stock, which

Mr. Newell said was for commissions. Will you explain that? I do not think you have ever explained that. Will you explain that before this committee?

Mr. BREWSTER. That is not true.

Mr. KENNEDY. That is \$5,000 for each year.

Mr. BREWSTER. That was the amount of money that Mr. Newell paid me for managing the stable during those years. And it did not come, from any knowledge of mine, from that at all. If it had, I would not have taken it.

Mr. KENNEDY. Mr. Newell marked it down as commissions paid on his income-tax return.

Mr. BREWSTER. I cannot help what he marked it down. I had not any knowledge of it and I would not have taken it if I had known that it came from any commissions from the insurance or health and welfare.

Mr. KENNEDY. What services were you performing for him that warranted your receiving approximately \$5,000 each year, in 1951, 1952, and 1953?

Mr. BREWSTER. I was managing the entire part of the stable. I was seeing, on claiming horses—seeing that they were properly taken care of and so forth.

Mr. KENNEDY. Were you not president of local 174, or secretary-treasurer of 174 at the same time?

Mr. BREWSTER. Yes, sir. And any time I did this work it was before and after hours of working for the organization.

Mr. KENNEDY. What do you mean "before hours"? What time would you be getting up in the morning?

Mr. BREWSTER. 4:30.

Mr. KENNEDY. And what sort of work would you be doing with the horses then?

Mr. BREWSTER. In Seattle when I was there, or any other place, I would instruct and look over the stable in its entirety and see what horses needed to be worked, what horses needed to be walked, what horses needed to be run.

Mr. KENNEDY. Would you get up every morning at 4:30 and see what horses needed to be worked?

Mr. BREWSTER. Every time I was in any place where the horses were worked.

Mr. KENNEDY. How often was that that you were where the horses needed to be worked?

Mr. BREWSTER. I would say that it was probably 50 percent of the time.

Mr. KENNEDY. That you were in Seattle? Would you say that 50 percent of the years 1951, 1952, and 1953 you got up at 4:30 in the morning to see that the horses were walked?

Mr. BREWSTER. Yes, sir; I got up at 4:30 every morning.

Mr. KENNEDY. You did not have Terry McNulty or any of these other employees that could do that?

Mr. BREWSTER. No; I didn't have them do that.

Mr. KENNEDY. Was it because you were interested in saving the money that you did not have an employee do it—perform it for you?

Mr. BREWSTER. I was interested in seeing that the horses were properly taken care of.

Mr. KENNEDY. And he was paying you the \$5,000 which he says is for commissions, he was paying you \$5,000 to see that the horses were walked?

Mr. BREWSTER. Can I see that statement and see when it was made and so forth? I think that he has corrected one since.

The CHAIRMAN. Let us get one thing clear now. Counsel is referring to a commission. Upon what premise would you charge a commission for going down to the stable and seeing if the horses need walking? I just do not understand the commission payment on that basis.

Mr. BREWSTER. I don't know, Senator, whether you know, but it is just as important, sometimes, to walk a horse as it is to——

The CHAIRMAN. I am not talking about that. Maybe a horse needs to walk. But what I am talking about is upon what premise do you base a commission?

Mr. BREWSTER. I think it all comes under the category of work.

The CHAIRMAN. I think that would be salary, would it not, not a commission?

Mr. BREWSTER. I took it as a salary. I didn't take it as a commission. I never knew at any time. I thought that that came out of his own moneys.

The CHAIRMAN. All right. Was it a salary by the hour, by the week, by the month?

Mr. BREWSTER. By the year.

The CHAIRMAN. By the year. What was the arrangement?

Mr. BREWSTER. \$5,000 a year for those 3 years.

The CHAIRMAN. Just a flat \$5,00 a year?

Mr. BREWSTER. That is right.

Senator ERVIN. Mr. Chairman, to borrow an Army expression of paydays, it looks like not only the horses were walked, but the ghosts were walked, also.

The CHAIRMAN. Senator Ives?

Senator IVES. I am not clear yet as to what happened to the \$10.40, Mr. Brewster, collected from the employer. Did you say that the \$10.40 for the individual worker comes from the employers for this health and welfare funds?

Mr. BREWSTER. Yes, sir.

Senator IVES. What happened to it? You told me when I asked you the question as to what happened to it, you said it was all put in bank deposits. I was not here when you were testifying yesterday on this, I do not know what you said yesterday, but suddenly now it is revealed that part of it goes into insurance. That is the question I asked you and you said you did not.

Mr. BREWSTER. It don't. That isn't anything to do with——

Senator IVES. Well, where is the money going? You are talking about some kind of an insurance plan here.

Mr. BREWSTER. Well, I don't know what you are talking about.

Senator IVES. I am talking about some kind of an insurance plan in connection with your health and welfare program. What is this money that you are talking about, that you are talking about to counsel here, being paid for commissions?

Mr. BREWSTER. This is altogether a different setup altogether.

Senator IVES. What has this broker got to do with it?

Mr. BREWSTER. What has the broker got to do with it?

Senator IVES. Yes.

Mr. BREWSTER. I think all of these people have a broker. I think there is a broker——

Senator IVES. All of what people have a broker?

Mr. BREWSTER. All funds have a broker; do they not?

Senator IVES. No; not if you put them in bank deposits. You do not have to have a broker for that. That is why I am trying to find out what it is all about. You told me that you put all of this money you collected, in other words, every bit of money that came out of that \$10.40 per head, you put it in bank deposits. Now it suddenly emerges that it is not in bank deposits. How much is and how much is not?

Mr. BREWSTER. Well, we can break it down. I think it is 86 percent that goes in and the other 14 percent——

Senator IVES. Goes in what?

Mr. BREWSTER. Into the health and welfare.

Senator IVES. I am not asking that question. I am asking where in blazes name the money goes that you get out of this \$10.40. What goes into bank deposits and what goes into something else?

(At this point, the chairman withdraw from the hearing room.)

Mr. BREWSTER. I can't really follow you.

Senator IVES. Well, it is very simple. To start with, you said that every bit of it was put in bank deposits.

Mr. BREWSTER. Will you let me finish?

Senator IVES. Go ahead. I am trying to find out.

Mr. BREWSTER. Maybe I can get it out. I might be a little thick on what you are talking about. Out of every dollar that is put in for health and welfare that goes to the insurance company, there is 86 cents of that dollar that goes into benefits of health and welfare. After——

Senator IVES. Just a minute. Wait a minute.

You told me nothing about that in reply to the questioning I directed at you to start with.

All right. Go ahead.

Mr. BREWSTER. I am sorry I didn't. I wasn't holding anything back. It is just one of those things.

Senator IVES. You did not say a word about any of that. Go ahead.

Mr. BREWSTER. I thought that you knew how insurance companies operate. On insurance plans, I think it is natural that they go through the insurance company, and they have a definite amount of money that they charge.

Senator IVES. You say 86 percent goes to the insurance company?

Mr. BREWSTER. Eighty-six percent goes into the welfare fund. Fourteen percent goes into the insurance companies for their certain operations and so on and so forth. It is broke down. It has been explained to me, but I cannot explain it in detail now. I know 2 of that 14 percent is brokerage. The other 12 percent, I think, is profit, administration, as far as they are concerned, and something else.

Senator IVES. Now, that money has to do entirely with insurance companies, right?

Mr. BREWSTER. That money is in insurance companies; yes.

Senator IVES. Of that 100 percent——

Mr. BREWSTER. Yes.

Senator IVES. 86 percent is paid out for health and welfare, 14 percent for brokerage and other fees in connection with it, is that right?

Mr. BREWSTER. Yes, sir; that is right.

Senator IVES. Where do you get your bank deposits?

Mr. BREWSTER. Bank deposits, the 86 percent goes back into the funds, and those funds are set up, the bank deposits, on any surplus that we do not pay in benefits during the year.

Senator IVES. I do not follow you on that at all. I suppose your insurance company is looking after the benefits.

Mr. BREWSTER. There isn't any real dividends. The dividends are any surplus.

Senator IVES. I am not talking about dividends.

(At this point, the chairman entered the hearing room.)

Senator IVES. What insurance companies are you paying brokerage fees to?

Mr. BREWSTER. Occidental.

Senator IVES. Occidental?

Mr. BREWSTER. Yes.

Senator IVES. What role does that insurance company play in this? I am not clear at all as to what the role is that the company plays. You are evidently paying for some kind of service here.

Mr. BREWSTER. We put these all out for bids, Senator. We have had 7 or 8 bids. They run from 60 percent to 86, on what they will give you back or what they charge. Some of them charge from 14, this is the lowest one that we have ever been able to get a bid, and we have sent the bid out as many as to 10 top insurance companies, and they all have a definite charge. That runs between 14 percent and 20 percent. By a vote——

Senator IVES. Twenty is very high. I happen to know.

Mr. BREWSTER. Well, some of them do.

Senator IVES. I know they do. There is no provocation for it, either.

Mr. BREWSTER. I don't think there is.

Senator IVES. No.

Mr. BREWSTER. I am going to work as hard as I can to have this cut down as much as I can.

Senator IVES. Now you are talking about the service you are getting out of the Occidental Insurance Co., are you not?

Mr. BREWSTER. Yes.

Senator IVES. What does that service cover? I want to find out where the money is going.

Mr. BREWSTER. That insurance covers a guarantee that we will get 86 cents of every dollar that comes in their bank into the plan.

Senator IVES. Back into the plan? What is the plan?

Mr. BREWSTER. The health and welfare.

Senator IVES. I know that, but what is it? What does it cover? Is that where you get your money to put into the banks, the bank deposits, the amount that comes back from the insurance company? Or is that the refund that you get, based on experience rating?

Mr. BREWSTER. No; that is the moneys that there be a surplus after the end of the year after the operation of a year. It would be about the same thing. You would probably term it the same thing.

Senator IVES. That is where you get the bank deposits, is that it?

Mr. BREWSTER. Yes, sir.

Senator IVES. You see how lost I was when I did not know any of the rest of this operation you are talking about.

Mr. BREWSTER. I have been rolling and rattling around here for 2 weeks. I have been lost, too.

Senator IVES. No; you have not been rattling around the business of the Occidental Insurance Co. when I was here.

Thank you.

Mr. BREWSTER. Thank you.

Mr. KENNEDY. Mr. Chairman, we have here two of the gifts of stock or payments of stock for the year 1952 and 1953 from Mr. George Newell to Mr. Frank Brewster.

The CHAIRMAN. The Chair would like to present to the witness a photostatic copy of a document which purports to be a copy of an invoice, I believe, and it indicates that a copy of this invoice was mailed to the witness, Mr. Brewster.

Mr. Brewster, will you examine that invoice and see whether you recognize it and if you received it along with the check?

(Document handed to witness.)

(At this point, Senator McNamara withdrew from the hearing room.)

(The witness conferred with his counsel.)

The CHAIRMAN. The Chair used the word check when I should have said stock. Did you receive that invoice along with the stock in the Affiliated Fund, Inc.?

Mr. BREWSTER. Yes, sir; I did.

The CHAIRMAN. Then you knew at the time you received it that this was not coming out of his personal funds, did you not?

Mr. BREWSTER. I did not. It don't say there that it did.

The CHAIRMAN. It says that due to arrangements you made with Mr. Ochsner. Who is Mr. Ochsner? "In accordance with your arrangements with Mr. Ochsner"—

Mr. BREWSTER. I don't know a Mr. Ochsner.

The CHAIRMAN. You said you would be paid a salary of \$5,000 a year. What is the amount of that voucher?

Mr. BREWSTER. That is \$5,300-and-something, I believe.

The CHAIRMAN. How was that arrived at?

Mr. BREWSTER. I don't know how that was arrived at.

The CHAIRMAN. It was arrived at at the price of the stock, was it not? Look and see.

Mr. BREWSTER. That is what it was; yes.

The CHAIRMAN. Does it not show the price of the stock there at that time to be—what? At \$5 what?

Mr. BREWSTER. \$5.36 a share.

The CHAIRMAN. And for 1,000 shares, is that correct?

Mr. BREWSTER. That is correct.

The CHAIRMAN. That document may be made exhibit No. 87.

(The document referred to was marked "Exhibit No. 87," for reference and will be found in the appendix on p. 1434.)

The CHAIRMAN. I hand you a similar document and ask you to examine it and identify it. It appears to be the invoice for the year of 1953.

(Document handed to witness.)

(The witness conferred with his counsel.)

The CHAIRMAN. Do you recognize it as an invoice that you received, a photostatic copy of the invoice you received?

Mr. BREWSTER. Yes, sir.

The CHAIRMAN. All right. It may be made exhibit No. 88.

(The document referred to was marked "Exhibit No. 88," for reference and will be found in the appendix on p. 1435.)

The CHAIRMAN. Did you have an arrangement with anybody? What was your original contract agreement where you would be paid \$5,000 per year?

Mr. BREWSTER. Just a verbal agreement.

The CHAIRMAN. You would be paid \$5,000 a year in cash?

(At this point, Senator Ives withdrew from the hearing room.)

Mr. BREWSTER. No; he said each year that he would like to have me save some money and he would buy a thousand shares of stock for me.

The CHAIRMAN. Each year he would buy a thousand shares of stock?

Mr. BREWSTER. Yes, and at that time it was \$5 a share.

The CHAIRMAN. If it was going to be 1,000 shares each year, you could not know what it was going to cost, could you? Stocks do fluctuate a little, do they not, in price?

Mr. BREWSTER. Yes; they do.

The CHAIRMAN. So there was no arrangement about \$5,000 a year as you originally testified, but there was an arrangement for 1,000 shares of stock each year; is that correct?

Mr. BREWSTER. He told me that he would pay me \$1,000 a year and with that he would buy the stock.

The CHAIRMAN. That he would pay you what?

Mr. BREWSTER. \$5,000 a year and with that he would buy this stock. At that time I thought that the stock—I think it was pretty close to that amount at the time that we made the original agreement.

The CHAIRMAN. On the last documents I showed you, the stock had gone down to \$5.17 per share.

Mr. BREWSTER. That is true.

The CHAIRMAN. So your check was \$5,170; is that correct?

Mr. BREWSTER. That is true.

The CHAIRMAN. You say you never knew this came out of brokerage funds?

Mr. BREWSTER. I did not.

The CHAIRMAN. You never knew it was a commission?

Mr. BREWSTER. I did not.

The CHAIRMAN. You referred to it as a commission to begin with.

Mr. BREWSTER. I never did.

The CHAIRMAN. You never understood it to be a commission?

Mr. BREWSTER. I did not.

The CHAIRMAN. All right. Proceed, Mr. Counsel.

Mr. KENNEDY. You have no explanation as to why he would make the deduction in this insurance part of this income-tax return rather than on the stable?

Mr. BREWSTER. I have no way of telling, but I understood later that he had changed that statement that he made first. Which one have you got? Could I see that one?

Mr. KENNEDY. It is 1951.

Mr. BREWSTER. Yes. There has been another statement. Did you ask him on any statement since then? It has been changed. I wish that you would get all of the evidence and the dope.

Mr. KENNEDY. 1951 we have.

Mr. BREWSTER. Yes; but there is one after that.

Mr. KENNEDY. Did you ultimately sell him back that stock?

Mr. BREWSTER. No. I just sold the stock.

Mr. KENNEDY. He did not buy the stock back from you?

Mr. BREWSTER. No.

Mr. KENNEDY. He did not purchase it——

Mr. BREWSTER. Wait a minute. I think I sold the stock through his broker. Whether he bought it back or not, I don't know. I know that I got rid of the stock.

Mr. KENNEDY. That was for approximately \$11,000 that you sold it through his broker?

Mr. BREWSTER. I think I sold it all.

Mr. KENNEDY. It is for approximately \$11,080 that George Newell purchased the stock. Are you sure you didn't sell it directly to him?

Mr. BREWSTER. Not to my knowledge. It was through his broker.

Mr. KENNEDY. Did you know George Newell was buying the stock back?

Mr. BREWSTER. No; I didn't know that.

Mr. KENNEDY. You did not know that?

Mr. BREWSTER. I don't know. He might have bought it back. I don't say he didn't.

Mr. KENNEDY. Did you discuss with him about his purchasing the stock back, repurchasing the stock?

Mr. BREWSTER. I told him I wanted to get rid of it, and he said, "I will call my broker and it can go through my broker."

Mr. KENNEDY. You say this was for getting up in the morning and taking care of the horses?

Mr. BREWSTER. That is right.

Mr. KENNEDY. You have been in partnership, I take it, with Mr. George Newell?

Mr. BREWSTER. I was; yes, sir.

Mr. KENNEDY. What was that partnership?

Mr. BREWSTER. We first originally were in partnership to, one time, buy a piece of property.

Mr. KENNEDY. What year was this?

Mr. BREWSTER. Gee, I think it was around 1949 or 1950. You have the dates there, haven't you, somewhere?

Mr. KENNEDY. It was around 1950.

Mr. BREWSTER. I am just guessing. I think it was around 1949 or 1950, and we purchased a piece of property.

Mr. KENNEDY. How much money did you put up for the piece of property?

Mr. BREWSTER. Around \$5,000 apiece. Five-something. It was around——

Mr. KENNEDY. Could it be \$3,250 that you put up?

Mr. BREWSTER. No; I think it was more than that.

Mr. KENNEDY. Go ahead. Originally?

Mr. BREWSTER. What do you want to know?

MR. KENNEDY. I want to trace through your financial dealings with Mr. Newell, and I want to start with this original transaction. I want to trace it in detail. Will you try to assist me?

MR. BREWSTER. Yes. If you will tell me what you want, I will try and assist you.

MR. KENNEDY. Let us start at the beginning when you were going to purchase the land with Mr. Newell. How much money did each of you put up?

MR. BREWSTER. The piece of property, I believe, was around \$11,000, and I thought we put up 50 percent apiece.

MR. KENNEDY. I guess the figure is \$6,050 each that you put up.

MR. BREWSTER. That is closer. I thought it was around 11.

MR. KENNEDY. So you purchased the land, did you?

MR. BREWSTER. Yes, sir.

MR. KENNEDY. And then what happened?

MR. BREWSTER. Then we sold the land.

MR. KENNEDY. How much did you sell the land for?

MR. BREWSTER. \$25,000.

MR. KENNEDY. To whom did you sell it?

MR. BREWSTER. The county of Los Angeles.

MR. KENNEDY. Did you have any other business transactions with Mr. Newell?

MR. BREWSTER. To my recollection, the only other one was the horse business.

MR. KENNEDY. What was the horse business? What did you do on that?

MR. BREWSTER. We bought horses together.

MR. KENNEDY. How much did you put in originally on the purchase of horses?

MR. BREWSTER. We took this money that we got from the land——

MR. KENNEDY. That is \$25,000?

MR. BREWSTER. Yes.

MR. KENNEDY. All right; \$12,500 each you put into what?

MR. BREWSTER. What horse?

MR. KENNEDY. Well, what did you do? You each had \$12,500. What did you do with your \$25,000?

MR. BREWSTER. We started buying horses.

MR. KENNEDY. Where did you keep the horses?

MR. BREWSTER. At the racetrack.

MR. KENNEDY. What racetrack did you keep them at?

MR. BREWSTER. Well, they go from one to another, when they are racing, when they are traveling.

MR. KENNEDY. Did you have a firm name or a company name?

MR. BREWSTER. Yes, sir.

MR. KENNEDY. What was the name of the company?

MR. BREWSTER. Breel.

MR. KENNEDY. So in this organization, each one of you had \$12,500; right?

MR. BREWSTER. Yes, sir.

MR. KENNEDY. Did you put any more money in after that?

This is Breel Stable. Each one of you had \$12,500.

MR. BREWSTER. Yes; we put in money; but when we put it in, how much, and so forth, I cannot give you facts and figures on it.

Mr. KENNEDY. Did you each put in the same amount of money?

Mr. BREWSTER. No, sir. At different times he put up my share.

Mr. KENNEDY. He put up your share?

Mr. BREWSTER. Yes.

Mr. KENNEDY. Approximately how much money did you put in? Let us say both of you, and then you can tell me approximately how much you put in and how much he put in. How much did both of you put in during this period of time?

Mr. BREWSTER. I cannot say. It would be a guess. It is awful hard to figure it because you would have to look at the record in its entirety because there might be a figure there where we might have lost a horse for \$10,000, and then went and claimed another horse for probably \$10,000.

Mr. KENNEDY. I would think, Mr. Brewster, if he was putting up part of your share, and you were getting up at 4:30 in the morning, walking the horses, he would have said, "I put in part of your share, let us offset them," instead of paying \$5,000.

Mr. BREWSTER. I don't think so. I don't think that would be a good way at all.

Mr. KENNEDY. You would not?

Mr. BREWSTER. No.

(At this point, Senator McNamara entered the hearing room.)

Mr. BREWSTER. And I don't think he would.

Mr. KENNEDY. Could you tell us a little more about this business transaction? This must have been fairly important.

Mr. BREWSTER. What would you like to know about it?

Mr. KENNEDY. I would like to find out a little bit about how you arranged it with him, how much money you put in.

Mr. BREWSTER. I haven't any of the information. You have it. I don't know what you are trying to get.

Mr. KENNEDY. I will tell you what I am trying to get.

Mr. BREWSTER. All right. Let's hear it.

Mr. KENNEDY. I want to find out how much money you put into the Breel Stables.

Mr. BREWSTER. I don't know.

Mr. KENNEDY. Tell me approximately how much money Mr. Frank Brewster put in the Breel Stables. You can tell me that. That is only in the last 3 or 4 or 5 years.

Mr. BREWSTER. I don't know.

Mr. KENNEDY. You have no idea?

Mr. GRIFFIN. Mr. Chairman, the witness here has answered three times that he did not know. Can't this be developed by further questioning? Why should we keep arguing with the witness?

The CHAIRMAN. Yes, sir; it will be developed by a little further questioning.

(At this point, Senator Goldwater entered the hearing room.)

The CHAIRMAN. Within the past 3 years you have put how much money into this Breel Stables?

Mr. BREWSTER. In the past 3 years we haven't had the Breel Stables.

The CHAIRMAN. All right; the last 3 years that you had it.

Mr. BREWSTER. The last 3 years prior to the last 3 years that you are talking about?

The CHAIRMAN. You heard what I said. You understood me.

Mr. BREWSTER. I really do not know.

The CHAIRMAN. You have some idea about it.

Mr. BREWSTER. I haven't any idea.

The CHAIRMAN. \$1,000?

Mr. BREWSTER. It is much more than that.

The CHAIRMAN. \$20,000?

Mr. BREWSTER. I do not know.

The CHAIRMAN. Mr. Brewster, you astound me with your lack of knowledge and occupying the position you do.

Mr. BREWSTER. Maybe I have a bad memory.

The CHAIRMAN. Well, obviously.

Proceed, Mr. Counsel.

Mr. KENNEDY. If you do not know how much money you put into the stables, can you tell us how much money you got out of the stables?

Mr. BREWSTER. I cannot.

Mr. KENNEDY. When did you sell the stables, Mr. Brewster?

Mr. BREWSTER. I split up, I think, about 2½ years ago. I don't know the exact date on that either. I haven't any information in front of me at all.

Mr. KENNEDY. I understand that. But how much money did you get out? What did you get out of the stables?

Mr. BREWSTER. I owe George Newell for what he put in. I owe him approximately \$40,000.

Mr. KENNEDY. Do you have some kind of a note or arrangement?

Mr. BREWSTER. We have not arranged that part of it, because there is some difference of opinion on what he should receive. I don't think that our figures figure that together.

Mr. KENNEDY. Could you tell me this: Why was he paying you \$5,000 for a period of 3 years and you end up owing him \$40,000? You still wouldn't want to offset those things at all, you wouldn't think that was good business practice, to have offset that?

Mr. BREWSTER. I think that these things came after that period of time that we got into the hole to the part of \$40,000.

Mr. KENNEDY. Tell me this: When you sold these stables, Breel Stables, why would you end up owing him \$40,000, when you went into it equally originally?

Mr. BREWSTER. Because he put in more money than I.

Mr. KENNEDY. When you sold the stables, did he not get more money out of the stables?

Mr. BREWSTER. He sold the stables to me and they were based on so much a horse. I have some of that data in Seattle, and I haven't anything along that line here.

Mr. KENNEDY. Did you pay him for the horses, or what he sold to you?

Mr. BREWSTER. I owe him for the horses.

Mr. KENNEDY. How much do you owe him?

Mr. BREWSTER. Approximately \$40,000. It might be \$42,000 or \$43,000.

Mr. KENNEDY. Have you given him a note for it?

Mr. BREWSTER. I have not, but as soon as it is settled about every transaction, I am going to give him a note.

Mr. KENNEDY. How long ago is it that you sold this?

Mr. BREWSTER. It is over 2 years.

Mr. KENNEDY. And you still haven't given him any note?

MR. BREWSTER. I still haven't given him any note.

MR. KENNEDY. And you still have not figured out how much you owe him?

MR. BREWSTER. I haven't got it definitely. But I said approximately it was around \$42,000 or \$40,000.

MR. KENNEDY. Mr. Chairman, we have a witness here who might be able to refresh Mr. Brewster's memory on this.

The CHAIRMAN. Mr. Brewster, stand aside.

MR. KENNEDY. Mr. Salinger?

(Members present at this point: The chairman, Senators Ervin, McNamara, Mundt, and Goldwater.)

The CHAIRMAN. You do solemnly swear that the evidence you shall give before this Senate select committee shall be the truth, the whole truth, and nothing but the truth, so help you God?

MR. SALINGER. I do.

TESTIMONY OF PIERRE E. G. SALINGER

The CHAIRMAN. Be seated and state your name, place of residence, business, or occupation.

MR. SALINGER. My name is Pierre Salinger. I live in Washington, D. C. I am an investigator for this committee.

The CHAIRMAN. Just employed recently since the committee was established?

MR. SALINGER. Yes, sir.

The CHAIRMAN. All right, Counsel, you may proceed.

MR. KENNEDY. Mr. Salinger, you have spent the last 2 or 3 weeks out on the west coast; is that correct?

MR. SALINGER. That is right, sir.

MR. KENNEDY. And one of the matters that you have been investigating for the committee is certain transactions of Mr. Frank Brewster?

MR. SALINGER. That is right, sir.

MR. KENNEDY. And you have had interviews with Mr. George Newell, with whom Mr. Frank Brewster was in partnership?

MR. SALINGER. I have, sir.

MR. KENNEDY. In the Breel Stables; is that right?

MR. SALINGER. I have.

MR. KENNEDY. And you have also made a study of the books of the Breel Stables?

MR. SALINGER. I have, sir.

MR. KENNEDY. Would you give the committee an outline as to what happened so far as the purchasing of the Breel Stables and the sale of the Breel Stables by Mr. George Newell to Mr. Frank Brewster?

MR. SALINGER. Yes, sir.

The CHAIRMAN. You had the books of this company; did you?

MR. SALINGER. The books were subpoenaed, Senator, and they are in Seattle under subpoena.

The CHAIRMAN. They are under subpoena, and you have examined them?

MR. SALINGER. I have; and I have talked to Mr. Clifford Whittle, the accountant for the Breel Stables, and we have gone over the transactions and he has explained them to me from his books.

The CHAIRMAN. Proceed.

Mr. SALINGER. Originally, Mr. Newell and Mr. Brewster each put in \$6,050 to buy a piece of property adjacent to the Santa Anita Race Track in Los Angeles, Calif. Mr. Newell stated to me that Mr. Brewster had told him about this property, and that it was a very good buy, and Mr. Newell said he was grateful to Mr. Brewster for letting him on the deal, and they put in the money originally and bought this property.

They eventually turned around and sold the property for \$25,000 to the County of Los Angeles. This money was used to make the original purchase of horses in the Breel Stable.

Over the period of time——

Mr. KENNEDY. When was this, approximately, that they made the purchase of the horses of the Breel Stables?

Mr. SALINGER. Approximately 1951.

In the period from 1951 to July of 1955, when the Breel Stable was dissolved at the request of Mr. Newell, there were some purchases made for horses by that stable, and our examination of the books showed that a substantial amount of purchases for horses were made by Mr. Newell, and that in those cases he would put in Mr. Brewster's interest. So when they arrived at the period when they were going to dissolve this stable, this is exactly from their books, the relative positions of the two partners in this corporation, Mr. Brewster and Mr. Newell, the corporation owed Mr. Newell the sum of \$52,127.75, and the corporation owed Mr. Brewster the sum of \$1,563.53.

The disparity in the figures owed to the two partners in this corporation was due to the heavy investments that had been made in Breel Stables by Mr. Newell as opposed to the almost lack of investment made by Mr. Brewster.

They settled this account in this way: Mr. Brewster was given horses valued at \$42,496.43; he was given a horse truck valued at \$1,262.93; and he was given an electro wrap machine valued at \$606.67, for a total of \$44,366.03. The books of the Breel corporation reflect that in consideration of this \$44,366.03 which Mr. Brewster took out of the stable, there was a note in the amount of \$17,750. However, I questioned——

Mr. KENNEDY. The note was from whom to whom?

Mr. SALINGER. The note was from Mr. Brewster to Mr. Newell. In other words, there was an amount due Mr. Newell by Mr. Brewster.

Mr. KENNEDY. That note, according to the books, was in existence?

Mr. SALINGER. That is right. So then I questioned Mr. Newell about the existence of this note, and he said there was no such note. He said, however, that he felt Mr. Brewster owed him this amount of money and that they would make arrangements for the collection of the money later.

Mr. KENNEDY. What do the records show as far as Mr. Newell?

Mr. SALINGER. For Mr. Newell, all he got out of the company was this \$17,750 note, which he says is nonexistent. He got a bank account which had \$891 in it, another open account which had \$1,000 in it, and the horse Alderman, which had a book value of \$9,524. Counting in the note, this is a total of \$29,165.

Taking these figures into account, this left Mr. Newell taking a total loss on the stable of \$22,962.75.

Mr. KENNEDY. Is that including the note?

Mr. SALINGER. That does not include the note.

Excuse me, that does include the fact that he would be getting the money from the note.

Mr. KENNEDY. What would be the loss if you do not include that \$17,500 note, which he says does not exist.

Mr. SALINGER. If you will wait just a second, I will compute it.

Mr. KENNEDY. Mr. Bellino says \$39,000.

Mr. SALINGER. It is a little in excess of \$39,000.

The horses which Mr. Brewster—are you interested in the horses Mr. Brewster took out of the stable?

Mr. KENNEDY. No.

He took a loss, then. How much was Mr. Newell's loss on the stable when he sold the stable?

Mr. SALINGER. Well, he took a total writeoff loss of \$22,962.75, and that is not counting his original investment in horses of \$12,500, which he also had to write off. In other words, counting the original investments he made, from 50 percent of the sale of the property in Los Angeles, that \$12,500 which he originally invested, plus his \$22,962, it gave him a total loss of around \$34,000.

Mr. KENNEDY. And what was Mr. Brewster's position?

Mr. SALINGER. Mr. Brewster did not take a loss. He ended up with a profit of \$18,066.03. That counts in the fact that he owes Mr. Newell \$17,750. If you take that note out of existence on the testimony of Mr. Newell, then you have a greater amount of profit from Mr. Brewster, amounting to something over \$18,000.

Mr. KENNEDY. And the loss to Mr. Newell would be then how much?

Mr. SALINGER. The loss to Mr. Newell would be around \$34,000.

The CHAIRMAN. Are there any questions, gentlemen?

Mr. KENNEDY. Did you have something further on the horses that you wanted to give?

Mr. SALINGER. Only that the horses involved in this transaction, the horses which were left over from the Breel Stable, ended up as properties of the Needmore Stable, which was a partnership which Mr. Brewster entered into after the Breel Stable went out of existence.

The CHAIRMAN. Let me ask you a question. I am trying to follow this. Does this indicate that in this partnership arrangement in the Breel Stables, that when the thing was dissolved and settled up Mr. Brewster had made the minimum investment or the minority investment, but ended up with profit, and Mr. Newell, who had more substantially financed the project, ended up with losses?

Mr. SALINGER. That is exactly correct, sir.

The CHAIRMAN. And that is some 2 years ago when the corporation was dissolved?

Mr. SALINGER. That is correct, sir. I asked Mr. Newell——

The CHAIRMAN. And no note has been given?

Mr. SALINGER. No note has been given, sir.

The CHAIRMAN. So far as you ascertain, no payment has been made?

Mr. SALINGER. Right, sir.

The CHAIRMAN. This Newell, if the Chair has followed you correctly, is Newell the one that is getting all the brokerage from the teamsters?

Mr. SALINGER. That is correct, sir.

Mr. KENNEDY. Mr. Chairman, could we go over the figures once more so we make sure we get them clarified? They change according to the \$17,500.

Could you go over the figures again as to what the sale was so that we make sure of them?

Mr. SALINGER. Do you want to go through all the figures again?

Mr. KENNEDY. Yes.

Mr. SALINGER. At the time of the dissolution of the partnership, Mr. Newell was owed \$52,127.75. He took out of the company a bank account in the amount of \$891, an open account in the amount of \$1,000, the horse, Alderman, with a book value of \$9,524.

Mr. KENNEDY. Let us keep it at that. That is the total that he took out except for the note?

Mr. SALINGER. Right sir.

Mr. KENNEDY. What is the total?

That is \$11,415?

Mr. SALINGER. That is right, sir.

Mr. KENNEDY. That he came out of the company with?

Mr. SALINGER. Right.

Mr. KENNEDY. What would that mean that his total loss was on the company in the sale of the Breel Stables?

Mr. SALINGER. \$40,712.75. That is the exact amount.

Mr. KENNEDY. That he took as a loss on the stables? Is that correct?

Mr. SALINGER. That is right, sir. You are not counting the note. This is without the note.

Mr. KENNEDY. Without the note, he took a loss of how much?

Mr. SALINGER. \$40,712.75.

Mr. KENNEDY. What about Mr. Brewster?

Mr. SALINGER. Mr. Brewster, who was owed \$1,563.53, took out of the stable 8 horses with a book value of \$42,496.43, a horse truck with a book value of \$1,262.93, and an electro wrap machine valued at \$606.07. This is a total of \$44,366.03.

Mr. KENNEDY. That he took out?

Mr. SALINGER. Right, sir.

Mr. KENNEDY. And he was owed \$1,563?

Mr. SALINGER. Right. That was written off. I don't know if you want to get into that, but that was written off so that it actually came to zero.

Mr. KENNEDY. That was written off because of a debt he owed in another stable?

Mr. SALINGER. That is right.

Mr. KENNEDY. So, actually, he came out of this transaction \$44,366.03 ahead?

Mr. SALINGER. Correct.

Mr. KENNEDY. And Mr. Newell came out \$40,712.75, a loss, is that right?

Mr. SALINGER. Correct. That is not counting a note.

Mr. KENNEDY. Not counting the \$17,500 note?

Mr. SALINGER. Right.

Mr. KENNEDY. And this is a company in which they both at least initially, went in as equal partners?

Mr. SALINGER. That is correct.

Mr. KENNEDY. And they sold the company and that is what the loss and profit was?

Mr. SALINGER. That is correct, sir.

Mr. KENNEDY. Senator, we have these registration cards of the El Rancho Motel, which Mr. Salinger gathered, and if you wanted to introduce them, you could introduce them through him. He was the investigator who picked them up.

The CHAIRMAN. Mr. Salinger, the Chair hands you four photostatic copies of documents. Will you please identify them and state what they are?

(Documents handed to witness.)

The CHAIRMAN. May I ask first if you obtained those photostatic copies.

Mr. SALINGER. I did, sir.

The CHAIRMAN. In connection with your service to the committee?

Mr. SALINGER. I did, sir.

The CHAIRMAN. All right. Now state what they are.

Mr. SALINGER. These four photostatic copies represent registration cards at the El Rancho Motel in Millbrae, Calif.

The CHAIRMAN. By whom?

Mr. SALINGER. One of them represents the registration of Frank W. Brewster. The second represents the registration of Mr. and Mrs. Mel Eisen. The third represents the registration of Richard Cavallero, and the fourth represents the registration of T. McNulty.

The CHAIRMAN. They will be made exhibit 89-A, B, C and D.

The documents referred to were marked exhibits 89-A, 89-B, 89-C, and 89-D for reference and will be found in the appendix on pp. 1436-1442.)

The CHAIRMAN. You say they are registrations. Do they show who paid the bills?

Mr. SALINGER. Yes, sir, they do in several cases.

On the registration of Richard Cavallero, the front of the registration bears the words "Charge to Frank Brewster," and on the back it also says, "Charge to Mr. Frank Brewster, 552 Denny Way, Seattle, Wash."

Down here is a notation "\$750 okay, \$397 amount due, \$353 returned, paid to Mr. Eisen, 10-3."

I queried the motel owner and obtained his affidavit which was read into evidence here yesterday, which indicated that this \$750 represented a check from the Western Conference of Teamsters which went to pay Mr. Cavallero's bill, and the money left over from paying Mr. Cavallero's bill was given in cash to Mr. Mel Eisen.

The CHAIRMAN. I believe that was testimony yesterday and we did not have at that time these photostatic copies of the registration.

Mr. SALINGER. Right, sir.

The CHAIRMAN. Are there any further questions with respect to those, gentlemen?

They have been placed in the record, as the Chair has stated.

I will ask that in the record of the testimony yesterday where they were referred to, it be indicated that they subsequently were introduced into the testimony.

(The documents were referred to on p. 1119.)

Are there any further questions?

All right, Mr. Salinger, you may stand aside for the present.

Mr. Brewster, resume the stand, please.

(Members present at this point: The Chairman, Senators, Ervin, McNamara, Mundt, and Goldwater.)

TESTIMONY OF FRANK W. BREWSTER, ACCOMPANIED BY HIS COUNSEL, JERRY N. GRIFFIN AND JOHN K. PICKENS—Resumed

The CHAIRMAN. Mr. Counsel, you may proceed.

Mr. KENNEDY. Does that refresh your recollection at all, Mr. Brewster?

Mr. BREWSTER. I think it does, to the point that I said I felt that I owed George Newell some \$40,000.

Mr. KENNEDY. Do you think that it is a proper transaction for the president of the Western Conference of Teamsters to allow himself to be owing the broker for the insurance fund \$40,000?

Mr. BREWSTER. I have known George Newell long before he brokered, all my life. I think as a friend, regardless of what business he is in, I think it is all right. I am not taking any advantage of the position.

Mr. KENNEDY. He makes from the Western Conference of Teamsters approximately \$300,000 each year, does he not, net?

Mr. BREWSTER. Yes. It is one of the lowest brokerage fees in the business.

Mr. KENNEDY. I am not questioning that. He still makes \$300,000 each year. You are president of the Western Conference of Teamsters.

Mr. BREWSTER. I am not in any way obligating myself to Mr. Newell.

Mr. KENNEDY. You owe him \$40,000.

Mr. BREWSTER. And I intend to pay him.

Mr. KENNEDY. Have you written any note?

Mr. BREWSTER. There is still an argument about the books. They are not just exactly the way that they have been produced. There is a matter of a mare that he has that isn't on there that I sold him. That hasn't been deducted. It is a mare by the name of Whang Bang.

The CHAIRMAN. Is this a kind of a whang bang transaction?

Mr. BREWSTER. She was a whang-bang mare. She won 40-some thousand dollars, too.

The CHAIRMAN. Mr. Brewster, this is a strange circumstance, it seem to me. I am sure Mr. Newell must be a pretty good businessman. Obviously, you would be rated as such, I assume, occupying the position you do have, having the responsibility for hundreds of thousands of working men and their finances. Can you explain why a \$40,000 debt like this is permitted to drag for a couple of years without anything being ascertained as to the exactness of it, or any arrangements, any definite understanding with respect to the payment of it? Can you give us any explanation for that?

Mr. BREWSTER. We have been discussing it less than that period of time, and I still contend that the amount is not right. He is demanding a note. He is a very good businessman. He will get a note and he will get paid.

The CHAIRMAN. What about the note for \$17,500?

Mr. BREWSTER. That one I do not recollect. I don't know what he is talking about.

The CHAIRMAN. Is that the only note or arrangement that has ever been made?

Mr. BREWSTER. Well, I don't recall that note for \$17,000, and I don't know what it refers to. The note that I am talking about is the note on the transaction including the horses, and what his percentage of loss was.

The CHAIRMAN. Mr. Brewster, again it is a little strange that a man of your intelligence, with the position you occupy, could not remember whether he gave a \$17,000 note.

Mr. BREWSTER. No, I didn't give any.

The CHAIRMAN. You have not given any note?

Mr. BREWSTER. No, not to my knowledge. I haven't signed anything.

The CHAIRMAN. Would one gain the impression from the way you handle your personal financial matters that you might handle the union's affairs in the same slipshod way?

Mr. BREWSTER. I am not able to tell what people imagine.

The CHAIRMAN. Do you see nothing wrong whatsoever in your becoming heavily indebted to Mr. Newell, taking into account the relative positions you both occupy with the Teamsters Union, the business relations with it, and the large profits he is making from business that he receives from the Western Conference of Teamsters?

Mr. BREWSTER. I see nothing wrong with it, and there has been no motive on my part—

The CHAIRMAN. You see no conflict of interest?

Mr. BREWSTER. No, sir.

The CHAIRMAN. You see no conflict of interest in receiving that stock?

Mr. BREWSTER. No, sir.

The CHAIRMAN. No conflict of interest in your becoming heavily indebted to him in a business enterprise?

Mr. BREWSTER. I do not.

The CHAIRMAN. Well, that is your statement.

Proceed, Mr. Counsel.

Senator MUNDT. Mr. Brewster, how did Mr. Newell get this position that he has as broker?

Mr. BREWSTER. He did it through a partner of his by the name of Morganstern.

Senator MUNDT. Morganstern?

Mr. BREWSTER. Yes, sir. And they were insurance advisers. They spent in excess of 2 years formulating a health and welfare fund at no expense to the conference whatsoever. They are not only the broker, but they are the advisers of the Western Conference of Teamsters. They sit in, they have representatives that sit in on negotiations and aid and assist the western conference in receiving and explaining to the employers on what the health and welfare means, what the cost is, and all of the particulars in that direction. They are more than brokers. They have been advisers to the Western Conference ever since the inception.

As I said, they were more than 2 years, prior to the time that we put it into effect. They made surveys, studies, had examples, exhibits and everything else, and then came into our conference, and that is where we started from.

I want to say at that time the only insurance company that would take a gamble was the Occidental Insurance. I have no brief for the Occidental Insurance, other than they were the first ones that would take a chance on health and welfare that I think is a very good setup in our area.

Senator MUNDT. Is this a continuing contract that they have? Do they get this \$300,000 every year, or now that the Occidental is handling it for you, is the commission unnecessary to the broker?

Mr. BREWSTER. No; the Occidental don't handle it. The Occidental pays that or any other insurance company would pay that.

Senator MUNDT. As I understand it, Mr. Newell is a representative of the Occidental Insurance Co., and he handles it as an underwriter, and gets an underwriter's commission of \$300,000; is that the arrangement?

Mr. BREWSTER. I would say more that Mr. Newell represented the Western Conference of Teamsters to make the deal with the Occidental, or whatever other company that might bid.

Senator MUNDT. You told us that the Occidental got its contract under a system of competitive bids.

Mr. BREWSTER. The first one we tried to get competitive bids, but we were unsuccessful. There wasn't one insurance company that would bid on it. No. 1, the employer thought it was going to fall on its face, and, No. 2, the insurance companies weren't very pleased with it. But now they all want it.

Senator MUNDT. Did Mr. Newell and Mr. Morganstern get their contracts through competitive bids, too?

Mr. BREWSTER. No, sir. We hired them as consultants in the first place. We have places in the western part of the country where the commission is split because they have representatives on their side and our side.

Senator MUNDT. What business was Mr. Newell in at the time?

Mr. BREWSTER. He was in the insurance business at the time.

Senator MUNDT. Representing Occidental?

Mr. BREWSTER. No; representing himself as a free-lance insurance adviser and broker.

Senator MUNDT. Was Mr. Morganstern also an insurance man?

Mr. BREWSTER. Yes, sir; he was. He had the firm of Morganstern & Son, I believe. In my opinion—he died 2 or 3 years ago—he was one of the most able men that I have ever seen in the business.

Senator MUNDT. I can see how he would be entitled to a brokerage in making his contract with the Occidental and maybe \$300,000 would not be unreasonable if he had devoted 2 years' time prior to that making the arrangements.

But in the continuing process, I do not see where Mr. Newell continues to render a service now that you do business directly with Occidental.

Mr. BREWSTER. Wait a minute. We don't do business directly with Occidental. Occidental is only a vehicle that the insurance is placed with. The business that Newell does, and his company, he has a representative in every major area in the 11 Western States.

Senator MUNDT. Newell does?

Mr. BREWSTER. Yes, sir; and that representative assists our representatives in negotiations on contracts that will include health and

welfare and pension. He isn't just sitting there receiving the brokerage. There is a tremendous expense to his organization. One would think that he just sits there and draws \$300,000 a year. That isn't so. He has 5 representatives in 5 different areas, with their offices in different areas in the 11 Western States, and they aid and assist joint councils, local unions, and go in and talk to membership and discuss the value of the plan and everything else.

We have to have people with that ability to sell not only our own people but the employer. That is the part that George Newell plays. He just don't sit there and collect the brokerage that one would probably try and make you think.

Senator MURDER. Is it a continuing service that he renders every year?

Mr. BREWSTER. He certainly has continuing service, and he is more than a broker. He is a consultant.

Mr. KENNEDY. Mr. Brewster, when you sold this Breel Stables, what kind of a discussion did you have with Mr. Newell about who was going to get what?

Mr. BREWSTER. I had a discussion with him, as I remember that I wanted to dissolve partnership and take the horses over, and he said, "Well, we will figure out what they are worth, and we will make a deal."

Mr. KENNEDY. This man must be a good businessman. He is owed \$52,000, approximately, out of the company, you are owed \$1,500, and then you make a sale of approximately \$55,000, sell the Breel Stables for approximately \$55,000 that you make out of it, and, as I say, he is owed \$52,000 and you are owed \$1,500. You come out with \$44,000 of the \$55,000, and he comes out with \$11,000.

Mr. BREWSTER. I think the \$40,000 is what I owe him.

Mr. KENNEDY. I do not understand how he would allow that type of business to go on when you sold the business. He should have said, "Well, I am owed this money. This is my money."

Mr. BREWSTER. He has been saying it.

Mr. KENNEDY. This is almost a gift to you, Mr. Brewster.

Mr. BREWSTER. It is not a gift, and you don't take it as such.

Mr. KENNEDY. When you sold the business, you sold the business for \$55,000.

Mr. BREWSTER. There is a difference of opinion about the amounts. As soon as that is settled, he will get a note, and interest, and back interest, and it will be paid.

Mr. KENNEDY. There might have been a difference about one of the mares. But you got nine horses.

Mr. BREWSTER. No; there was about what was put in, too. I didn't keep these books. Mr. Newell's office kept them. I never saw the books. I never had an opportunity. I probably had one, if I went down there, but I never took the opportunity to see them.

Mr. KENNEDY. Out of that company, nevertheless, you got \$44,000. How did you arrange that?

Mr. BREWSTER. I don't know how he kept the books. Where I got that, I don't know. But whatever I got was reported in the income tax, and that is all there is.

Mr. KENNEDY. Why did he allow you to take the nine mares or the nine horses and the van? Why did he allow you to have all those assets if it wasn't a gift?

Mr. BREWSTER. It was not a gift.

Mr. KENNEDY. Do you have any explanation at all?

Mr. BREWSTER. It is still unsettled as to the exact amount that I owe, and I am going to sign a note and pay for it.

Mr. KENNEDY. How much are you going to sign the note for?

Mr. BREWSTER. For whatever we figure out the exact amount is.

Mr. KENNEDY. There must have been an agreement there, certainly about the nine horses you were selling. Even if you split it 50-50, it would still make more sense than the arrangement you did make. You sold it for \$55,000, and you took \$44,000 out of the \$55,000. You got that.

Mr. BREWSTER. I never took \$44,000 at any one time. I don't know where those figures come from. I don't know how they arrived at them.

Mr. KENNEDY. You will agree about \$40,000?

Mr. BREWSTER. I have been told—and I am still in a position of where I think it is roughly that or it was a little more—that he had the figures. His auditor was in my office himself.

Mr. KENNEDY. I am not very familiar with business, but two partners going into business together, and one coming out owing \$40,000 and the other coming out making \$40,000, I would think that the one that was owing this money would be reasonably——

Mr. BREWSTER. If I paid him \$40,000 then how would it come out?

Mr. KENNEDY. Excuse me?

Mr. BREWSTER. If I paid him \$40,000 or gave him a note for \$40,000, how would I come out? He would make the money?

Mr. KENNEDY. No; you would both be even, then.

Mr. BREWSTER. Well, that is the way it will come out eventually.

Mr. KENNEDY. This is 2 years later. I suppose Mr. Newell will be grateful to the committee for bringing this out so that you will ultimately——

Mr. BREWSTER. You will probably get a letter of thanks.

(The witness conferred with his counsel.)

Mr. KENNEDY. Let me ask you this: What did you do with the horses, with the nine horses? What did you do then with them?

Mr. BREWSTER. I ran them, raced them.

Mr. KENNEDY. Did you have another stable?

Mr. BREWSTER. Yes, I had another stable.

Mr. KENNEDY. What was the name of that stable?

Mr. BREWSTER. The Needmore.

Mr. KENNEDY. Needmore Stables?

Mr. BREWSTER. Yes.

Mr. KENNEDY. When did that——

Mr. BREWSTER. I originally started the Needmore back in 1934. I needed everything then.

Mr. KENNEDY. And it has been going since 1934; is that right?

Mr. BREWSTER. The name has always been kept intact, and I have gone away from it and back to it again. It is an assumed name that you can register every year that you desire on the racetrack or not register.

Mr. KENNEDY. Was that in existence, the Needmore Stables, at the same time you had the Breele Stables?

Mr. BREWSTER. I don't think that it was operating. I might have had an individual horse or something at that time that I operated under that, but I am not positive whether I did or not.

Mr. KENNEDY. Is that a corporation, a company, or what?

Mr. BREWSTER. No. It is just a name.

Mr. KENNEDY. Just a name?

Mr. BREWSTER. Yes, sir.

Mr. KENNEDY. You were in that by yourself at that time?

Mr. BREWSTER. Yes, sir.

Mr. KENNEDY. When you took these horses out of the Breel Stables, you put them in the Needmore Stables?

Mr. BREWSTER. Yes, sir.

Mr. KENNEDY. Were you in that company by yourself, still?

Mr. BREWSTER. No.

Mr. KENNEDY. Did you bring any partners in?

Mr. BREWSTER. Yes.

Mr. KENNEDY. Who?

Mr. BREWSTER. John Sweeney and Fred Galeno.

Mr. KENNEDY. Who is Fred Galeno?

Mr. BREWSTER. Fred Galeno——

Mr. KENNEDY. How do you spell his name?

Mr. BREWSTER. G-a-l-e-n-o.

Mr. KENNEDY. Who is Fred Galeno?

Mr. BREWSTER. Fred Galeno is a person that is in Seattle, Wash.

Mr. KENNEDY. What do you mean, a person in Seattle, Wash.?

Mr. BREWSTER. Well, you said who is he. He is a person.

Mr. KENNEDY. Is he in business in Seattle?

Mr. BREWSTER. Yes; he has a business.

Mr. KENNEDY. What is his business?

Mr. BREWSTER. It is an amusement business.

Mr. KENNEDY. What does that mean? Does he have an orchestra, or what? What does he do? What business is he in?

Mr. BREWSTER. He is in the amusement business that includes juke-boxes and pinballs.

Mr. KENNEDY. He is in the pinball business?

Mr. BREWSTER. Yes. He is one of the oldest—one of the members of the oldest families in the city of Seattle.

Mr. KENNEDY. And you were in partnership with him?

Mr. BREWSTER. With the horses.

Mr. KENNEDY. Do the pinball operators in Seattle have a pinball operators association?

Mr. BREWSTER. Yes, sir; they have.

Mr. KENNEDY. Is Mr. Galeno an important figure in that association?

Mr. BREWSTER. I believe he is.

Mr. KENNEDY. That is similar to the Pinball Operators Association that they have down in Portland, Oreg.; is that right?

Mr. BREWSTER. I wouldn't say it was.

Mr. KENNEDY. It is different?

Mr. BREWSTER. Yes.

Mr. KENNEDY. Similar to the one down in Portland, Oreg., does the pinball association sign a contract with the union?

Mr. BREWSTER. That is right.

Mr. KENNEDY. So it is similar in that way?

Mr. BREWSTER. Yes. Probably similar to the one they have here. I don't know.

Mr. KENNEDY. Who signs the contract for the pinball operators in Seattle?

Mr. BREWSTER. Local 353. I do not negotiate or have anything to do with negotiations.

Mr. KENNEDY. That is local 353 of the teamsters?

Mr. BREWSTER. Yes, sir.

Mr. KENNEDY. They sign a contract with the pinball operators?

Mr. BREWSTER. And negotiate the contract.

Mr. KENNEDY. Who signs for the pinball operators?

Mr. BREWSTER. I have never seen a contract.

Senator MUNDT. Is the pinball operation a legal operation in Seattle?

Mr. BREWSTER. Yes, sir. It is licensed by the city council with an amusement tax on them.

Senator MUNDT. In that regard it is different, then, from Portland.

Mr. BREWSTER. That is true. That is absolutely true.

Mr. KENNEDY. Is Mr. Galeno a member of the teamsters union?

Mr. BREWSTER. Yes, sir; he is.

Mr. KENNEDY. He is a member of the association, and he is a member of the teamsters union; is that right?

Mr. BREWSTER. That is true, because he is a working owner, and anybody that works at the tools and works at the craft becomes a member of the union.

Mr. KENNEDY. What does working at the pinball machine mean?

Mr. BREWSTER. Delivering.

Mr. KENNEDY. He delivers them himself?

Mr. BREWSTER. He does it. He drives a truck. He delivers.

Mr. KENNEDY. He drives a truck that brings the machine?

Mr. BREWSTER. Yes. He does that type of work. He has other employees. He just don't do it all himself. He has other employees. He repairs and makes collections, and et cetera, the same as every other member of the union. Any time that any employer, that goes for any craft, works at the trade, he carries a card.

Mr. KENNEDY. Even though he is an employer?

Mr. BREWSTER. Even though he is an employer. If he works at the craft, he is a member, and eligible for membership.

Mr. KENNEDY. Your testimony is that Fred Galeno from Seattle, Wash., goes around and drives a truck?

Mr. BREWSTER. He drives a truck some of the time. I don't—

Mr. KENNEDY. Wait a minute.

Mr. BREWSTER. Yes, he drives a truck.

Mr. KENNEDY. He drives a truck on business? I don't mean just driving a truck for pleasure, but he drives a truck on business. That is part of the business, he drives the truck himself?

Mr. BREWSTER. Yes, sir.

Mr. KENNEDY. In connection with his business?

Mr. BREWSTER. Yes, sir.

Mr. KENNEDY. And he does that now?

Mr. BREWSTER. I have seen him drive the truck, I have seen him with his old clothes on, I have seen him in places where he was—

Mr. KENNEDY. Repairing the machines?

Mr. BREWSTER. Yes, sir.

The CHAIRMAN. The Chair presents to you a photostatic copy of a document. Will you examine it and see if you recognize what it is. (Document handed to witness.)

(The witness conferred with his counsel.)

The CHAIRMAN. That is a copy of a contract for pinball machines?

Mr. BREWSTER. It looks like it.

The CHAIRMAN. Mr. Galeno signed it representing as secretary-treasurer of the Washington Amusement Association?

Mr. BREWSTER. Amusement Association of Washington, yes, sir.

The CHAIRMAN. The Amusement Association of Washington?

Mr. BREWSTER. Yes.

Mr. KENNEDY. That is the same Fred Galeno that you are in business with, is that right?

Mr. BREWSTER. In the horse business.

Mr. KENNEDY. In the horse business. And he is also a member of the teamsters union?

Mr. BREWSTER. Yes, sir. He has been a member of the teamsters union for, I believe——

The CHAIRMAN. That document may be made exhibit 90, for reference.

(The document referred to was marked "Exhibit 90" for reference and will be found in the appendix on pp. 1443-1444.)

Mr. BREWSTER. 30 some years.

Mr. KENNEDY. That local that you say signed the contract is local what?

Mr. BREWSTER. 353, I think.

Mr. KENNEDY. And you say that Mr. Galeno is a member of the teamsters union because he drives a truck and repairs these machines?

Mr. BREWSTER. Yes.

Mr. KENNEDY. Then why is Mr. Galeno in local 174?

Mr. BREWSTER. Because he was originally in 174. I think he went into 174 in about 1932, and before that he was in the association of garbage collection in the city of Seattle, and they had their local union, and in 1930, I remember him being on the board of this particular local union as a representative of that local union.

Mr. KENNEDY. Would they not want him in the union in which he belonged rather than local 174?

Mr. BREWSTER. He felt it would be better for him not to be in that union so he wouldn't be in a position where he would sway the membership or anything in regards to the contract. He thought that it would be very good, and I think so myself.

Mr. KENNEDY. To be in another local?

Mr. BREWSTER. Yes, sir.

Mr. KENNEDY. What does he do in that local, then?

Mr. BREWSTER. He just drives a truck in the local union. Once in awhile we have a member in a local union that will want to stay there and probably work in another union that has been in there for a long period of time. That is a working relationship with local unions. They can do that.

Mr. KENNEDY. Let me ask you this: Everyone that is on the negotiating committee for the pinball association, are they all in local 174?

Mr. BREWSTER. No. They are in 353.

MR. KENNEDY. Wouldn't they be able to sway the members, too?

MR. BREWSTER. Who?

MR. KENNEDY. The other members of the negotiating committee.

MR. BREWSTER. 353?

MR. KENNEDY. Yes.

MR. BREWSTER. Well, he wouldn't be a member attending the meetings.

MR. KENNEDY. Let us go back again. You said the reason that he was in local 174 was because he might sway the members in local 373.

MR. BREWSTER. 353.

MR. KENNEDY. 353.

MR. BREWSTER. That he might have a feeling that they might be in a position and feel that because he is there in their local union, that he might be in a position where probably his own employees wouldn't want to talk freely and so forth in front of him.

MR. KENNEDY. What about the other members of the pinball association, and the negotiating committee for the pinball association? Aren't they all in 353?

MR. BREWSTER. All of them, I guess. I don't know. I am not positive about the membership.

MR. KENNEDY. Why don't you establish the same rule for them, to go into local 174?

(At this point Senator Ervin withdrew from the hearing room.)

MR. BREWSTER. This is no connection. I don't see the connection. These people that are in there in 353 are wage earners. I don't know of anyone else that is an owner that is in 353. There might possibly be, but I don't know it. I have kept away from this in its entirety.

THE CHAIRMAN. Let me ask you a question. I have never understood that the management of a business becomes a member of a union.

MR. BREWSTER. If he works, that is our rule, at the craft.

THE CHAIRMAN. If I own my own business, I have to become a member of the union if I work at it? Is that some rule you have?

MR. BREWSTER. If you own a business and become a member—you have to become a member—and work at the craft. I believe organizations take that position, that if you are working at the craft and working with the tools, that you are eligible for membership.

THE CHAIRMAN. In other works membership negotiates with membership, is that right, or union negotiates with membership on a contract?

MR. BREWSTER. Well, it is very infinitesimal. I don't think it amounts to much.

THE CHAIRMAN. That is what happens in this instance, obviously.

MR. BREWSTER. Well, he wasn't directly in that local union. He didn't attend meetings.

THE CHAIRMAN. I am trying to find where the basis of negotiation arises. Which interest can a man represent? If he is a member of the union that he is negotiating with—

MR. BREWSTER. I am trying to explain that he is not. He isn't in this local union. He can't vote in this local union.

THE CHAIRMAN. Is that the reason he moved out of this particular local union?

Mr. BREWSTER. No; that isn't the reason he moved out. He has never been in this local union. He has been a member of 174 for 26 or 27 years.

The CHAIRMAN. Well, it is a different local but it is a member of the same union.

Mr. BREWSTER. That makes all the difference in the world.

The CHAIRMAN. The policy of the International or the policy of the western conference applies equally to the locals; does it not?

Mr. BREWSTER. Yes. But members of other local unions, cannot go in and take any active part in negotiations or talking or discussing wage scales in another local union.

The CHAIRMAN. I am still a little confused. I am trying to see where the conflict of interests is, if there is any. You have a right, and I believe that is a part of your duty, according to your prepared statement that you read to the committee, to assist in negotiations with locals. Is that not correct?

Mr. BREWSTER. When it is necessary.

The CHAIRMAN. That is what I mean. You stand by. That is a part of your duty.

Mr. BREWSTER. That is true.

The CHAIRMAN. That is, as president of the Western Conference.

Mr. BREWSTER. That is true.

The CHAIRMAN. You stand by. You are available at any time to help a local negotiate a contract?

Mr. BREWSTER. That is true.

The CHAIRMAN. And you do practice that when you are needed?

Mr. BREWSTER. That is right.

The CHAIRMAN. So in this position, you occupy a position where, if you were needed, you could be called upon to help negotiate this contract; is that correct?

Mr. BREWSTER. Probably on the statement, but I have never been called on.

The CHAIRMAN. I did not say you had. I am talking about the position you occupy and the relationship between you and Mr. Galeno.

Mr. BREWSTER. I could turn the local union down. I wouldn't have to.

The CHAIRMAN. You have the veto power?

Mr. BREWSTER. Yes. I can turn them down.

The CHAIRMAN. And this contract was negotiated under those circumstances?

Mr. BREWSTER. The contract was negotiated with no influence. I didn't know anything about it. In fact, that is the first time I had seen the contract.

The CHAIRMAN. I am not saying that you knew anything about it. I am talking about your position, the position of authority, and your duties, and that relationship with Mr. Galeno. The relationship is there, the authority is there, the duty is there. Whether it was exercised or not, I am just pointing out the situation.

My statement about it is correct; is it not?

Mr. BREWSTER. Well, hypothetically, yes.

The CHAIRMAN. Thank you.

Proceed.

Mr. KENNEDY. Tell me this: In your relationship with Mr. Galeno, have you ever borrowed any money from Mr. Galeno?

Mr. BREWSTER. No, not to my knowledge.

Mr. KENNEDY. Have you ever received any moneys from him?

Mr. BREWSTER. Only in the horse business, that is all, if that is what you call receiving.

The CHAIRMAN. We will take a recess until 2 o'clock.

(Members present at the taking of the recess: The chairman, Senators McNamara, Mundt, and Goldwater.)

(Whereupon, at 12:15 p. m., the committee recessed, to reconvene at 2 p. m., the same day.)

AFTERNOON SESSION

(The hearing resumed at 2 p. m., Senator John L. McClellan, chairman, presiding.)

The CHAIRMAN. The committee will be in order.

(Present at the convening of the session were Senators McClellan, Ives, Mundt, and Goldwater.)

The CHAIRMAN. Mr. Brewster, you may resume the stand.

TESTIMONY OF FRANK W. BREWSTER, ACCOMPANIED BY HIS COUNSEL, JERRY N. GRIFFIN AND JOHN K. PICKENS—Resumed

Mr. KENNEDY. We were talking, Mr. Brewster, this morning at the end of the morning session, about your relationship with Mr. Fred Galeno.

Now, you said that you had a new stable, the Needmore Stable, that you and he had interests in together.

Mr. BREWSTER. Yes, sir.

Mr. KENNEDY. That was the Needmore Stables?

Mr. BREWSTER. Yes, sir.

Mr. KENNEDY. What was the financial arrangements for the Needmore Stables?

Mr. BREWSTER. The financial statement was the inventory taken at the time that he went in.

Mr. KENNEDY. How much did you put in and how much did he put in, into the Needmore Stables?

Mr. BREWSTER. I already had the stock and he came in in the stock or the horses that I had. There wasn't any money he put in at that time.

Mr. KENNEDY. How much money did he put in?

Mr. BREWSTER. He didn't put in any money at that time.

Mr. KENNEDY. What did he do? Did he put anything in at that time?

Mr. BREWSTER. No, sir; he did not.

Mr. KENNEDY. Did he put in some money at a later date?

Mr. BREWSTER. He has put in money and put up money at a later date.

Mr. KENNEDY. How much money has he put into the Needmore Stables?

Mr. BREWSTER. I haven't the particulars and I don't know.

Mr. KENNEDY. You have no idea of that?

Mr. BREWSTER. No, sir; I do not.

Mr. KENNEDY. Was it \$10,000 or \$20,000 or do you have any idea?

Mr. BREWSTER. We had bought some horses through the bank and we had bank notes under his name at the bank.

Mr. KENNEDY. In how much? What were the amounts?

Mr. BREWSTER. I believe \$15,000.

Mr. KENNEDY. \$15,000?

Mr. BREWSTER. I believe that is the amount.

Mr. KENNEDY. Now, did he give you or pay you any money for the horses that you brought into the Needmore stables?

Mr. BREWSTER. No; he hasn't paid any money as of this time.

Mr. KENNEDY. Was there any arrangement that he would pay you money?

Mr. BREWSTER. Yes; there is an arrangement that he will pay me.

Mr. KENNEDY. Is there a contract?

Mr. BREWSTER. The contract has not been drawn up to that effect yet, just exactly how much they are worth. That is being made out and so forth and it is based, primarily, on the amount of money that I paid on the Breel stables.

The CHAIRMAN. How long ago was that, Mr. Brewster?

Mr. BREWSTER. It is about 18 months, I believe.

The CHAIRMAN. You have been operating for 18 months without the contract having been drawn?

Mr. BREWSTER. We have a tentative agreement, but the contract has not been finished; no, sir. It is based upon the amount of money that we owe the Breel stables.

Mr. KENNEDY. Was there anyone else in this Needmore stables other than you and Mr. Galeno?

Mr. BREWSTER. And John Sweeney.

Mr. KENNEDY. And Mr. John Sweeney?

Mr. BREWSTER. Yes, sir.

Mr. KENNEDY. Anyone else?

Mr. BREWSTER. That's all.

Mr. KENNEDY. What did Mr. John Sweeney put into the company?

Mr. BREWSTER. Nothing himself. That is all based upon the amount of money that we paid for the horses to the Breel stables.

Mr. KENNEDY. What was the arrangement with him?

Mr. BREWSTER. The same arrangement.

Mr. KENNEDY. Now, do you still have Needmore stables?

Mr. BREWSTER. Do I still have them?

Mr. KENNEDY. Yes.

Mr. BREWSTER. No, sir; I have sold the Needmore stables.

Mr. KENNEDY. When did you sell them?

Mr. BREWSTER. About 5 weeks ago.

Mr. KENNEDY. Mr. Brewster, what I do not understand is this: You go into the partnership with two other men. You go into the partnership some 18 months or 2 years ago, and you go in partnership during this period of time and then you sell and you still have not made arrangements for the purchase of it.

Mr. BREWSTER. That will all come out in the finale of the entire subject matter and I will give you a copy of the record.

The CHAIRMAN. Mr. Brewster, you just a moment ago said you were going to make a contract and that you had a tentative agree-

ment and now you sold the business and how can you make a contract?

Mr. BREWSTER. We can still make the contract and it can still be binding, in my opinion.

The CHAIRMAN. It is a moot question now. The business is sold. You cannot make a contract about a business that you do not own. One of the parties is dead.

Mr. BREWSTER. I believe it will be satisfactory to all parties.

The CHAIRMAN. And it may work out satisfactorily, but you do not mean to sit here now and tell us that you still intend to enter into a contract.

Mr. BREWSTER. I do.

The CHAIRMAN. With a dead man and about a business that you do not own?

Mr. BREWSTER. His estate will be in.

The CHAIRMAN. O. K.

Mr. KENNEDY. Now, this is at the same time that Mr. Galeno is signing the contract for the pinball operators in Seattle.

Mr. BREWSTER. That had nothing to do with it.

Mr. KENNEDY. Now, was Mr. Galeno receiving any monies from the teamster organization?

Mr. BREWSTER. For what purpose?

Mr. KENNEDY. For any purpose.

Mr. BREWSTER. I think that from time to time we had him purchase things, bills were presented and so forth, and we paid him for those purchases. Now, I don't know what you refer to and if you call specific things, I can answer.

Mr. KENNEDY. Just leave it general and you describe why you made these payments to Mr. Galeno.

Mr. BREWSTER. I don't know what you refer to.

Mr. KENNEDY. Let me ask you again. Did the teamsters pay any moneys to Mr. Galeno?

Mr. BREWSTER. For what purpose?

Mr. KENNEDY. For anything.

Mr. BREWSTER. Well, I don't know what you mean by "anything."

Mr. KENNEDY. You just tell me whatever purpose you have in mind.

Mr. BREWSTER. What purpose have you got in mind?

The CHAIRMAN. Just a moment.

Mr. BREWSTER. Can I have something, Mr. Chairman?

The CHAIRMAN. Just a moment. The question is, Has the union, the teamsters union, the western conference, paid any money to Mr. Galeno? You say, well, you do not know. All right. What is the purpose? The question is, for any purpose.

Do you have any knowledge of it having paid any money to Mr. Galeno for any purpose, for wages, for salaries, for services, for goods, or what, any money?

Mr. BREWSTER. Can I consult my attorney?

The CHAIRMAN. You may.

(The witness consulted with his counsel.)

Mr. BREWSTER. We had him purchase at one time some beverages that we used in Seattle for entertainment purposes.

The CHAIRMAN. Would you give us some idea of the quantity?

Mr. BREWSTER. The quantity is—there were different amounts at different times, and I think that one time there were around \$1,600 worth.

The CHAIRMAN. \$1,600?

Mr. BREWSTER. Yes, sir, and I don't recall some of the others. These were over a period and we do this before the holidays and we keep a supply so that if anybody comes in town we send down to their room and take care of them.

The CHAIRMAN. I understood you to say that you did it one time, as one time when you paid the money, and now you are saying it was repeated a number of times.

Mr. BREWSTER. It could be more than 1, and it could be 2 or 3.

The CHAIRMAN. You got invoices, of course, for the goods?

Mr. BREWSTER. I believe we have.

The CHAIRMAN. They are available, I am sure, for inspection?

Mr. BREWSTER. I believe that they are in our offices.

The CHAIRMAN. How long has it been?

Mr. BREWSTER. It has been in the period of the last, I think, 3 years; 3 to 4 years.

The CHAIRMAN. Are those records available?

Mr. BREWSTER. I think so.

The CHAIRMAN. They were not destroyed with the others?

Mr. BREWSTER. There hasn't been anything since 1953. That is 4 years.

Mr. KENNEDY. Now, these bills were paid by the Western Conference of Teamsters?

Mr. BREWSTER. They were.

Mr. KENNEDY. Why was it that you went through Mr. Fred Galeno to make these purchases?

Mr. BREWSTER. Because he had a brother that ran a place in California and the brands and et cetera that we wanted were not available in the city of Seattle and we got a much better price so we had them come up there and got them there and hauled them up.

Mr. KENNEDY. Did you pay the tax in the State of Washington?

Mr. BREWSTER. I don't think we did.

Mr. KENNEDY. So you purchased the liquor through Mr. Fred Galeno's brother, is that right, in Los Angeles?

Mr. BREWSTER. In Oakland, Calif.

Mr. KENNEDY. What is the name of that liquor store?

Mr. BREWSTER. I believe it is the Black and White; on some occasions I believe there is a check to Black and White, and then I think that we paid him personally.

Mr. KENNEDY. Now, I want to come back to that in a moment, but in the meantime, were there any other moneys paid to Mr. Fred Galeno by the Western Conference of Teamsters? That is, other than these beverages that you purchased through his brother?

Mr. BREWSTER. I used Fred Galeno, or asked him if he wouldn't go down to make a survey of the rubbish situation in Los Angeles.

The CHAIRMAN. The what situation?

Mr. BREWSTER. The rubbish, junk. At that time we paid him no salary whatsoever and we did pay his expenses, plane, et cetera.

The CHAIRMAN. Do you have a copy of that survey or that report?

Mr. BREWSTER. No, sir. It was a private survey made to me because at that time—if you want to go into that it would take quite a while.

The CHAIRMAN. I just asked you a question. You hired him to make a report?

Mr. BREWSTER. It was a personal report is all I asked him for at that time. Also, in San Francisco we read where the garbage that is being hauled down there is under investigation and attack and everything else, and we asked him previous to before the attack was made and so forth that he go down and see what he could find out about that particular kind of operation.

The CHAIRMAN. What is that?

Mr. BREWSTER. He is qualified for that work.

The CHAIRMAN. Where did you send him from?

Mr. BREWSTER. Seattle, to San Francisco, and to Los Angeles at one time—that is, that I remember, and I may have sent him more than one time. But right at the present time, I only recall one instance and it might have been one or two times.

The CHAIRMAN. All right; he made a survey.

Mr. KENNEDY. You did not get any report on that?

Mr. BREWSTER. I got a report.

Mr. KENNEDY. No written report?

Mr. BREWSTER. No written report; no, sir.

Mr. KENNEDY. Now, was it also understood that when Mr. Galeno went down to San Francisco to make this study for you, he should bring his wife at union expense?

Mr. BREWSTER. I think that he took his wife at the union expense because he was not charging any salary or any fee or any compensation, so I thought that it would be proper that he could take his wife in lieu of possibly a salary.

Mr. KENNEDY. Was that taken up with the policy board members that you were going to send him down there?

Mr. BREWSTER. I discussed it at different times with members of the policy committee; yes. I had the authority to do that without taking it up, though.

Mr. KENNEDY. That does not appear any place in the minutes of the meetings?

Mr. BREWSTER. No, sir, it does not; no, sir. I have that authority without going to the policy committee.

Mr. KENNEDY. If you were misusing your authority, you could be sending your friends all over the country, could you not, Mr. Brewster?

Mr. BREWSTER. But I don't.

Senator MUNDT. Before we get too far away from the race track situation, I had a note or two I took this morning, Mr. Brewster. I believe you said that you and your partner, Mr. Newell, engaged in a real estate transaction in Los Angeles in which you invested \$11,000 in a piece of property near a racetrack and 2 or 3 years later sold it for \$25,000.

Mr. BREWSTER. Yes, sir.

Senator MUNDT. Was that a complete arm's-length transaction, and just happened to be a lucky real estate speculation on your part?

Mr. BREWSTER. Well, there was a tendency of property in that area to increase in leaps and bounds. If you have ever been around that area, it is just jungle and the arboretum at Los Angeles, the county, was going to use that for a site. We did not desire to sell it but we knew that if we didn't we had been offered that amount of money, they would confiscate it anyway.

Senator MUNDT. It was a negotiated sale?

Mr. BREWSTER. Absolutely.

Senator MUNDT. You mentioned the Tanforan racetrack a couple of times in your testimony. That set a lot of bells ringing in my mind because I was a member of the committee when we were investigating the Tanforan racetrack. I had no idea a Frank Brewster was involved in it.

Mr. BREWSTER. And I don't recall the investigation.

Senator MUNDT. I do remember Harry Vaughn and Johnny Merigon and Gene Moray and some other people who were involved.

Mr. BREWSTER. Gene Moray?

Senator MUNDT. I think he is the president.

Mr. BREWSTER. I know Gene Moray.

Senator MUNDT. Are you in any way connected with Tanforan racetrack or was that just one of the places that you ran your horses?

Mr. BREWSTER. That's all. I haven't any stock in any racetrack, or no connection at all.

Senator MUNDT. You could not give us any information on it, how the Tanforan racetrack got its materials at a time when home builders could not get them, and GI's could not get them, but the Tanforan racetrack had all of the building materials it needed.

Mr. BREWSTER. I heard something about it and I thought it was all second hand. That's not the information, but the materials.

Senator MUNDT. This is not second hand.

Mr. BREWSTER. I meant the materials.

Senator MUNDT. They were able to get some priority orders with some nice contacts they had in Washington and build quite a racetrack. I have seen the racetrack but I don't know whether you can shed some light on that or not.

Mr. BREWSTER. I was not involved, Senator.

Senator MUNDT. All right. You have a clean bill of health on that one.

Mr. KENNEDY. We have some of the tickets purchased for Mr. Galeno, Mr. Chairman, by the Western Conference of Teamsters. This one is purchased for Mr. Galeno on December 14, 1954, and this for Mr. and Mrs. Galeno on June 23, 1954.

One comes from the files of the Western Conference of Teamsters and one is for a total of \$181.94, and the other for a total of \$93.18.

The CHAIRMAN. Mr. Brewster, you may examine these photostatic copies of the United Air Lines records and see if you identify them.

(The documents were handed to the witness.)

Mr. BREWSTER. What do you want now?

Mr. KENNEDY. Just identify them. Can you identify them?

Mr. BREWSTER. Yes, I can identify them.

The CHAIRMAN. They may be made exhibits No. 91-A and 91-B.

(The documents referred to were marked "Exhibits Nos. 91-A and 91-B" for reference and will be found in the appendix on pp. 1445-1446.)

Mr. KENNEDY. Mr. Brewster, let me ask you this: Were there any other payments that were made from the Western Conference of Teamsters to Mr. Fred Galeno other than for the beverages?

Mr. BREWSTER. One time he was a delegate, I think, to the convention in Los Angeles.

Mr. KENNEDY. Was he actually a delegate?

Mr. BREWSTER. Yes, sir.

Mr. KENNEDY. He was on the list of delegates?

Mr. BREWSTER. I think he was.

Mr. KENNEDY. And he received for that how much?

Mr. BREWSTER. At that time we paid all of our delegates \$750 for the week's convention—expenses, its entirety, fare, and all. I believe that that is the amount.

Mr. KENNEDY. So he received \$750 for that?

Mr. BREWSTER. Yes, sir.

Mr. KENNEDY. Now I want to come back to that convention in a few minutes, but were there any other expenses or anything else that he was paid for by the Western Conference of Teamsters?

Mr. BREWSTER. I don't recall any.

Mr. KENNEDY. Did he perform any other services?

Mr. BREWSTER. I don't recall any other services at the present.

Mr. KENNEDY. Is there anything that he handled for you that he was paid out of western conference funds?

Mr. BREWSTER. No.

Mr. KENNEDY. Is there anything else that he performed for the western conference that he got paid for, or by the joint councils?

Mr. BREWSTER. I don't recall at the present time anything.

The CHAIRMAN. The Chair presents to you two checks—photostatic copies of checks—and asks you to identify them. I believe they appear to bear your signature.

Mr. KENNEDY. On joint council 28.

The CHAIRMAN. Yes, on joint council 28.

(The documents were handed to the witness.)

Mr. BREWSTER. I identify the check made out to Fred Galeno, of July 24, 1953, for \$1,225, signed by myself and Gordon Lindsay.

There is one of January 8, 1954, \$507.50, signed by myself and Gordon Lindsay. It is drawn on joint council 28.

Mr. KENNEDY. And your position in joint council 28 at that time was what?

Mr. BREWSTER. I was president.

Mr. KENNEDY. Would you tell the committee what those checks were for?

Mr. BREWSTER. I cannot without looking at the records and I am sure that there were bills of some type to cover it somewhere.

Mr. KENNEDY. Did Mr. Galeno ever purchase a television set for you?

Mr. BREWSTER. He purchased a television set for our building and it is at the present time there.

Mr. KENNEDY. Did he ever purchase a phonograph?

Mr. BREWSTER. I don't recall a phonograph; I can't recall one.

Mr. KENNEDY. But you have no explanation of this amount?

Mr. BREWSTER. No, but I am positive that it wasn't for any services. It was something that he purchased for us. He had a way and places to get things wholesale and so forth and we dealt through him.

Mr. KENNEDY. Was he purchasing things for you wholesale? Other than beverages?

Mr. BREWSTER. The television, yes.

Senator MUNDT. Are the books and records of that joint council intact at this time or have they been forced out by cramped filing room to the city dump?

Mr. BREWSTER. I am not sure, Senator.

Senator MUNDT. You do not know about that?

Mr. BREWSTER. I do not know.

Senator MUNDT. Are you presently an officer of that council?

Mr. BREWSTER. Yes, sir, I am.

Senator MUNDT. What is your position now?

Mr. BREWSTER. In what way, sir?

Senator MUNDT. In this connection, you said you were president at that time.

Mr. BREWSTER. My position is still president.

Senator MUNDT. You are still president?

Mr. BREWSTER. Yes, sir.

Senator MUNDT. You should know, I would think, whether the records are there or not. Have you had any reports?

Mr. BREWSTER. It sounds like I should but I really don't know.

Senator MUNDT. Who is the custodian of the records now? Who would know?

Mr. BREWSTER. The custodian is Fred Verschueren, Jr.

Senator MUNDT. I do not mean the custodian of the building. I mean the bookkeeper.

Mr. BREWSTER. The bookkeeper, that's who I mean, Senator.

Senator MUNDT. This is a different office from the office in which Ann Nielson works?

Mr. BREWSTER. That's right. The books are not there. There is nothing kept in her office at all.

Mr. KENNEDY. We have been through what records there are of joint council 28 and there does not seem to be any record of any bills that Mr. Galeno submitted for this money. Now in your books, opposite the \$507.50 item, check No. 5335, is the word "donation." Does that refresh your recollection at all? Were you giving a donation to Mr. Galeno?

Mr. BREWSTER. No, sir, we were not.

Mr. KENNEDY. Why would this check go to Mr. Galeno and then be written up as a donation?

Mr. BREWSTER. I cannot answer.

Mr. KENNEDY. And then the \$1,225 is charged to "buttons, printing, and supplies."

Mr. BREWSTER. Well——

Mr. KENNEDY. Were you getting your buttons from him?

Mr. BREWSTER. No; I think that you have got that off the wrong stub. I think that is highly possible.

Mr. KENNEDY. Well, can you tell us then?

Mr. BREWSTER. I know we don't get any buttons and I know we get our buttons from a button company and we pay them for those buttons and I don't know where that came from myself.

Mr. KENNEDY. You have no explanation of the \$1,200?

Mr. BREWSTER. No; I haven't.

Mr. KENNEDY. Now, could you examine this check?

The CHAIRMAN. The Chair presents to you what appears to be a photostatic copy of a check dated August 24, 1955, Seattle, Wash., signed by Fred Galeno and I wish you would examine it and identify it.

The other checks that have been referred to will be made exhibits 92-A and B.

(The documents referred to were marked "Exhibits Nos. 92-A and 92-B" for reference and will be found in the appendix on pp. 1447-1448.)

(The document was handed to the witness.)

MR. KENNEDY. Can you identify that check, please?

MR. BREWSTER. The check was made out to cash and it is signed "F. W. BREWSTER," on the back and that is not my signature.

MR. KENNEDY. What is the amount?

MR. BREWSTER. \$1,000.

(At this point in the proceedings Senator McCarthy entered the hearing room.)

MR. KENNEDY. It would appear that a Mr. F. W. Brewster received the \$1,000, is that right, from that check?

MR. BREWSTER. That possibly could have gone into the stable.

MR. KENNEDY. What stable would that have gone into?

MR. BREWSTER. Needmore. This isn't my signature on here.

MR. KENNEDY. It is not? Do you know who wrote that?

MR. BREWSTER. I couldn't tell. I have never seen it.

MR. KENNEDY. You have no explanation of it?

MR. BREWSTER. No; I don't know what this is at all, because it is made out to cash and it has a signature that is not my signature.

MR. KENNEDY. Did Mr. Verschueren ever sign your name for you?

MR. BREWSTER. I don't believe he has, and I don't remember.

MR. KENNEDY. Have you given anybody authority to sign your name?

MR. BREWSTER. Just for deposit only.

MR. KENNEDY. Well, to whom did you give the authority to sign your name?

MR. BREWSTER. I have given my secretary authority.

MR. KENNEDY. Is that written by her?

MR. BREWSTER. This isn't her signature.

MR. KENNEDY. Somebody has forged your signature then to the check?

MR. BREWSTER. Well, I just want to say that it is not my signature?

MR. KENNEDY. If it is not your signature and it is not written by anybody who you authorize to sign your signature, it would appear that somebody has forged your name; is that right?

MR. BREWSTER. I wouldn't know what conclusion to make of it.

MR. KENNEDY. You would not? You have nothing to add to it then?

MR. BREWSTER. No; I don't know what constitutes forgery.

MR. KENNEDY. Did you receive the \$1,000?

MR. BREWSTER. No; not to my knowledge I didn't.

MR. KENNEDY. You would know if you received \$1,000?

MR. BREWSTER. Chances are, I would. I don't recall receiving any money for this check. I don't know and you can see my signature and look at it yourself and see for yourself that it is not my signature.

MR. KENNEDY. Well, now, I have a new question, which is, Did you receive the \$1,000 or any part of that?

MR. BREWSTER. I said to the best of my knowledge I have not, and I don't remember at all of receiving any \$1,000 for any purpose from Fred Galeno other than——

MR. KENNEDY. Now, this is just less than 2 years ago, and so you would remember if you received \$1,000; would you not, Mr. Brewster?

MR. BREWSTER. I said that I didn't; didn't I?

Mr. KENNEDY. If you received it?

Mr. BREWSTER. If I received it, and I remembered it, I would have told you.

Mr. KENNEDY. You have no idea as to who wrote your name here?

Mr. BREWSTER. I have no idea whatsoever.

Mr. KENNEDY. Now, have you ever had any interest in any pinball business?

Mr. BREWSTER. Not at all.

Mr. KENNEDY. Have you ever received income from any pinball operations?

Mr. BREWSTER. None whatsoever.

Mr. KENNEDY. What other companies or corporations or partnerships have you had an interest in other than the Breel Stables and the Needmore Stables?

Mr. BREWSTER. That is the only interest that I have had.

Senator MUNDT. You mentioned another one, a filling station.

Mr. BREWSTER. That's true, I am sorry. I am interested in the filling station across the street.

Mr. KENNEDY. How long have you had an interest in the filling station?

Mr. BREWSTER. Before the war.

Mr. KENNEDY. And do you have a partner in that?

Mr. BREWSTER. Yes.

Mr. KENNEDY. Who is the partner?

Mr. BREWSTER. Mr. Dave Beck.

Mr. KENNEDY. Now, would you tell us what financial arrangements you have with the filling station?

Mr. BREWSTER. I have got a 50-50 percent, or 50 percent, partnership with Dave Beck.

Mr. KENNEDY. It is a filling station?

Mr. BREWSTER. I explained it the other day.

Mr. KENNEDY. First describe the filling station and where it is.

Mr. BREWSTER. The filling station is across the street from our building.

Mr. KENNEDY. It is across the street from the Teamsters Building?

Mr. BREWSTER. Yes, sir.

Mr. KENNEDY. You and Mr. Beck own the filling station?

Mr. BREWSTER. We own the property and the building on the filling station.

Mr. KENNEDY. Now, you have a 50-50 arrangement there?

Mr. BREWSTER. Yes, sir.

Mr. KENNEDY. Is there any lease arrangement?

Mr. BREWSTER. There is a lease arrangement with the Standard Tire Service.

Mr. KENNEDY. What is the basis of the lease arrangement?

Mr. BREWSTER. I think it is a guaranty of \$175 a month and I think it is 1 $\frac{3}{4}$ cents per gallon and I think it is 5 percent on accessories, grease jobs, et cetera.

Mr. KENNEDY. You get a certain percentage of every gallon of gas that is sold at this filling station?

Mr. BREWSTER. The regular lease that anybody has got, we have the same thing. That is the way they lease all gas stations and it is no different from any other lease.

Mr. KENNEDY. It is $13\frac{1}{4}$ cents for every gallon of gas sold, is that right, at the gas station?

Mr. BREWSTER. I believe that is right. If you have the figure, I will take your figure.

Mr. KENNEDY. Seven and a half percent of the gross profits from the sale of all tires, tubes, and accessories, petroleum products, other than gasoline and other goods, wares, and merchandise, plus credit given for merchandise returned and excluding script sales and moneys collected as taxes. Does that sound familiar?

Mr. BREWSTER. I thought it was 5 percent, and I guess it has been raised to $7\frac{1}{2}$ percent.

Mr. KENNEDY. And 7 percent of the gross profits from all labor and services and a minimum of \$175 a month.

Mr. BREWSTER. I think that is right. Is there any identification there to the cents per gallon?

Mr. KENNEDY. Yes; $13\frac{1}{4}$ cents.

Mr. BREWSTER. I think I had it pretty close.

Mr. KENNEDY. Does the Western Conference of Teamsters and local 174 and joint council 28, do they use this Standard Service gasoline, Standard Service Tire Co.?

Mr. BREWSTER. I think probably every local union in the building uses it, including them. They use it including every other local union.

Mr. KENNEDY. We have some figures here from 1950 through 1955. The records of the Western Conference of Teamsters were not available from 1950, 1951, 1952, and 1953, and joint council 28 were not available from 1950, 1951, but for the local 174, joint council 28, and the Western Conference of Teamsters, for those years 1950 to 1955, with the exceptions I have mentioned, the Standard Service Tire has grossed from those 3 unions \$164,589.76.

How much have you realized out of that?

Mr. BREWSTER. The legitimate profit under the contract.

Mr. KENNEDY. Could you tell me how much that is?

Mr. BREWSTER. No. Maybe I could figure it out.

Mr. KENNEDY. Approximately how much do you get?

Mr. BREWSTER. I don't know. I say that our profit on the thing has been over the whole picture, has been about \$6,000 a year. I think that came out with Senator Goldwater when he said that during 1 of those years, I think the profit on the station was \$3,000. Was that no correct? It was \$3,000 and something.

That is what we realized, double that, on all of the business in the entire building.

Mr. KENNEDY. Do you think it is a good idea, Mr. Brewster, for a president of the Western Conference of Teamsters to be having an interest in a company which does business with the Western Conference of Teamsters?

Mr. BREWSTER. That type of business, I certainly cannot see anything wrong in.

Mr. KENNEDY. You do not see anything wrong about it and you do not think that there is any conflict there?

Mr. BREWSTER. I certainly do not.

Mr. KENNEDY. What about having business with Mr. Galeno who is signing a contract with the teamsters? Do you think that there is anything wrong in having a business arrangement with him?

MR. BREWSTER. I do not believe that the business that I am in, certainly it is entirely different, and I don't see any conflict whatsoever.

MR. KENNEDY. Can you see there might be a problem if you did not have somebody with high principles who had a business arrangement with a company that did business with the teamsters?

MR. BREWSTER. I am very fortunate that Mr. Galeno has high principles.

MR. KENNEDY. I am just talking about if you had an official of a union who did not. Do you think that there is anything that is questionable about having a business deal or having a business interest in a company that does business with the teamsters?

MR. BREWSTER. Until it has been discussed today, I have never heard it discussed on the west coast in my 37 years.

MR. KENNEDY. Now, tell me, did you hear it discussed down in Miami about 2 months ago?

MR. BREWSTER. With whom?

MR. KENNEDY. With the Ethical Practices Committee.

Senator McCARTHY. I do not think that your question is answered, Bob.

MR. KENNEDY. The first question was whether you felt that there was anything improper about that.

MR. BREWSTER. I do not.

MR. KENNEDY. Now, the second question is, on the point that you say you had not heard it discussed, did you hear it discussed in Miami when you were down there?

MR. BREWSTER. I read about it in the papers, but I think that is entirely different.

MR. KENNEDY. Did you read that they also outlined a code of conduct dealing with a conflict of interest such as this?

MR. BREWSTER. I would be willing and ready to go before that committee and discuss the question with them.

MR. KENNEDY. But it does not appear to you to be improper at all?

MR. BREWSTER. It does not.

MR. KENNEDY. And you do not intend to break off your interest with Mr. Galeno or with the Standard Tire Co.?

MR. BREWSTER. I don't with Standard Tire.

MR. KENNEDY. Or Mr. Galeno?

MR. BREWSTER. Or Mr. Galeno.

MR. KENNEDY. Now, going to this convention, how much money did the western conference or what was spent for that convention in 1952 that you mentioned Mr. Fred Galeno went to where each delegate received \$750?

MR. BREWSTER. How many delegates did we send, you mean?

MR. KENNEDY. Yes.

MR. BREWSTER. Gee, I certainly would be guessing and I wouldn't know.

MR. KENNEDY. How much money did the western conference spend at that convention where each delegate was given \$750?

MR. BREWSTER. You are talking about the moneys that the delegates received to go to the convention?

MR. KENNEDY. Just the \$750.

Mr. BREWSTER. That was the joint council and in the western conference I don't know. I don't know what other locals paid their delegates or anything else about it.

Mr. KENNEDY. Let us take the western conference. How many delegates did the western conference send?

Mr. BREWSTER. I don't remember how many we sent there. I haven't any idea now. That was 1952.

Mr. KENNEDY. You don't remember about that?

Mr. BREWSTER. No; do you have some records?

Mr. KENNEDY. Our records show there was \$80,000 for 109 delegates for the western conference. Now, I notice that one of these checks went to Mr. Dave Beck, Jr.; was Mr. Dave Beck, Jr., a delegate?

Mr. BREWSTER. I believe he was a delegate to the joint council at that time and at that time Mr. Beck was president.

Mr. KENNEDY. He is not listed as a delegate and why would he get \$750?

Mr. BREWSTER. We did this at that convention, which we do and it has been a practice, that if another local union has a credential that they are not using, we try and get that credential and they might represent some other local union. So that they would have a voting credential at the convention.

Mr. KENNEDY. The question still remains, why did Mr. Dave Beck, Jr., receive \$750?

Mr. BREWSTER. I believe he was a delegate from some other local union.

Mr. KENNEDY. What union was he a delegate from? He does not appear in any of our records as a delegate.

Mr. BREWSTER. Did you check the delegates of every local union in the 11 western States?

Mr. KENNEDY. No; we did not.

Mr. BREWSTER. Well, then, you probably couldn't find it unless you did.

Mr. KENNEDY. Can you tell me what union he was a delegate from?

Mr. BREWSTER. I cannot.

Mr. KENNEDY. Now, Mr. Simon Wampole, who I understand is Mr. Beck's financial adviser, also received \$750. Why did he receive \$750?

Mr. BREWSTER. At that time he was working on legal work for the Western Conference of Teamsters and the joint council.

Mr. KENNEDY. He received \$750 as a delegate and he was not a delegate?

Mr. BREWSTER. I am not sure that he wasn't a delegate. I think it is possible that he could have been a delegate.

Mr. KENNEDY. There is the list.

(A document was handed to the witness.)

Senator MUNDT. Can a man be a delegate to a convention from a local to which he does not belong, Mr. Brewster?

Mr. GRIFFIN. Mr. Chairman—

Senator MUNDT. My question was, Can a man be a delegate to a convention representing a union to which he does not belong, a local to which he does not belong?

Mr. BREWSTER. That has been done, Senator, time and time again. In other words, if there are extra delegates or extra credentials and

some other local union wants them and so forth, you might have maybe—you see, we go up to the majority of 500 before they can get additional delegates, and they might have pretty close to that.

They would ask if they could get another delegate to send some representative from that local union; and that has been the practice ever since I can remember.

Senator MUNDT. Are those outside delegates selected by the local union or are they selected by some higher echelon within the management?

Mr. BREWSTER. Both. Sometimes they are by the local unions, and so forth, or they are by some higher echelon who might do it. I say now that I have got requests on my desk, I believe, in my office, of about 10 credentials where some local union is very close and they would like to send a delegate, and that would be one that was elected and appointed or whatever it might be from their own local union. But he might have a credential from another local union entirely foreign from his own local union.

Senator MUNDT. Well, I can understand perhaps how a local union might select some good competent unionman to represent it at a convention from outside its own local membership. But I am right back where I was with you yesterday, trying to protect the democratic rights of the individual union members when you tell me that on occasion the delegate from a local union is selected from some higher echelon of union leadership.

I wonder if that also does not move in the direction of disenfranchising the dues-paying member of the local union.

Mr. BREWSTER. There is something there. To a degree, I think that you are right.

Senator MUNDT. To the degree it is practiced; is that right?

Mr. BREWSTER. That's right.

Senator GOLDWATER. May I continue on that, Mr. Brewster? I did not hear you. How many delegates are there to the annual convention of the Western Conference?

Mr. BREWSTER. To our annual conference, we call it a conference, instead of a convention, because that is the way we are chartered.

There are 2 from each local union, regardless of size and there are 246 local unions, and so that is 492.

Senator GOLDWATER. What is the turnover in those delegates?

Mr. BREWSTER. Senator Goldwater, it would be pretty hard to say. Usually their membership sends those that are actively engaged, such as secretaries or business agents and someone who is actually in the field, because it is more or less of outlining a program for the organization of the 11 Western States.

I don't think that the turnover is too great, anymore than the turnover would probably be in the representatives, the people that represent local unions.

Senator GOLDWATER. Then you get substantially the same people as delegates year after year?

Mr. BREWSTER. I think the large majority, I think that is right. There are a lot of new faces that I see from time to time and I meet them and I think that there is a certain amount of turnover.

I believe that some local unions do this, Senator, and I am sure they do: They take and alternate. Say a local union might have 10

representatives. They will alternate and they won't have the same one there for a period of about 5 years and they take turns in sending their paid representatives to the conference.

It isn't mandatory, but they do it.

Senator GOLDWATER. Are these delegates pledged to any candidates for the top positions or are they pledged to any practices of the conference?

Mr. BREWSTER. By their local unions when they come; you mean?

Senator GOLDWATER. Yes.

Mr. BREWSTER. I couldn't answer that.

Senator GOLDWATER. Are they free to vote?

Mr. BREWSTER. Absolutely they are free to vote.

Senator GOLDWATER. They do not come there pledged to you or to any other candidate?

Mr. BREWSTER. No; I don't want that kind of a representation.

Senator GOLDWATER. You have no control then, over these conventions?

Mr. BREWSTER. I do not, other than my long years of dealing with the people themselves.

Senator GOLDWATER. Do you get many votes against you as the years go by?

Mr. BREWSTER. It might be interesting to know that I have been elected time and time again, and I had opposition one time and when it was popular to get defeated, and when Roosevelt came into office.

Senator GOLDWATER. I did not notice that popularity growing when he came into office.

Mr. BREWSTER. It was popular to be defeated.

Senator GOLDWATER. Not in that organization.

Mr. BREWSTER. And I was elected with opposition by a vote of almost 9 to 1.

Senator GOLDWATER. What is the smallest plurality you have ever had?

Mr. BREWSTER. That is the only time I have ever had opposition. I think that I come by it honestly, Senator. I don't think that there is any machine. I believe this, that the work that I have done in the fringe issues we were talking about this morning and so forth—

Senator GOLDWATER. What would happen if somebody got up on the floor of the conference and nominated somebody in opposition to you?

Mr. BREWSTER. I wish that they would. They would have a chance to run.

Senator GOLDWATER. It would be an interesting experiment.

Mr. BREWSTER. Yes, that has happened in the Senate.

Senator MUNDT. Mr. Brewster, did I understand that you said that it was the practice in the union to give a check of \$750 to each delegate in lieu of expenses for the time that he spent at a convention which usually is the better part of a week? Did I understand that correctly?

Mr. BREWSTER. For his expenses, yes, and salary and travel and so forth.

Senator MUNDT. Instead of asking him to submit an itemized statement and paying him \$625 or \$795, you have got a flat rate and you give each one \$750 for a convention expense?

Mr. BREWSTER. That is true.

Senator MUNDT. When you do that, do you instruct the delegates that they have to file that \$750 with the Internal Revenue Bureau as income and then file an expense account against it so that the Government can be assured of the fact that it has been actually expended?

Mr. BREWSTER. I have instructed all delegates that they will have to keep track of all their expenses. And that anything that they don't—

Senator MUNDT. That does not quite answer the question. Do you instruct them?

Mr. BREWSTER. I haven't done it in the way that you explained, no. But I have told them that if there is anything that they could not account for, that it would be income, and they would have to pay for it. I did it in another way than you probably brought up.

Senator MUNDT. But you did instruct them that they do not have to account for it to the teamsters, and rather than go through all of that material, you treat them all alike with that \$750?

Mr. BREWSTER. That is right.

Senator MUNDT. But they do have to keep a record of it, because on that basis, that \$750 would be treated by the tax bureau as income, and against it they can charge the actual expenses that they have.

Mr. BREWSTER. They have been informed of it, not exactly in that way, but in the way that I informed them.

Mr. KENNEDY. Would you explain why \$750 of union members' dues was used to send Mr. Dave Beck, Jr., down to San Francisco, and Mr. Simon Wampold, the financial adviser of Mr. Dave Beck?

Mr. BREWSTER. I think at that time Mr. Simon Wampold was working for the joint council. I was under the impression that Dave Beck, Jr., was a delegate from some other local union. If he was not, I erred. But at that time, I was not present, and I don't remember the transaction myself, that he was or was not a delegate to the international. I wasn't on the credential committee. I haven't seen this book.

Mr. KENNEDY. In connection with what Senator Mundt was asking you, did you submit a financial voucher as to how much money you had spent at the convention?

Mr. BREWSTER. No, I didn't. I do it in a different way.

Mr. KENNEDY. How do you do it?

Mr. BREWSTER. Well, I do it in the way that I spend my money and get money back for it. I get reimbursed for my expenses.

Mr. KENNEDY. Do you ever submit any hotel bills or other vouchers showing your expenses?

Mr. BREWSTER. Do I do what?

(At this point, Senator Ives withdrew from the room.)

Mr. KENNEDY. Do you ever submit any hotel bills or other vouchers showing your expenses?

Mr. BREWSTER. No, I don't.

Mr. KENNEDY. Again, of course, if you had somebody in that didn't have a high moral character, Mr. Brewster; somebody could be really taking double expenses and pocketing them. Do you see the difficulty in that? You do?

For instance, did you also receive expenses from the international for that convention that you received the \$750?

Mr. BREWSTER. I did.

Mr. KENNEDY. How much in expenses did you receive?

Mr. BREWSTER. Wait a minute. I made a mistake in that answer. I don't think I did. I don't remember receiving expenses for that particular convention.

Mr. KENNEDY. The records show that two people received expenses from the international as well as from the Joint Council 28, and one of them was Mr. Frank Brewster and the other was Mr. Dave Beck.

Mr. BREWSTER. May I see the check, please?

(Document handed to witness.)

(The witness conferred with his counsel.)

Mr. BREWSTER. I think, though, that proceedings in the convention was from October 13 to 17, 1952, and the exhibit that you gave me was under date of November 28, and that was relative to a board meeting. It was either prior or after. I think it was prior to the convention.

(At this point, Senator Mundt withdrew from the hearing room.)

Mr. KENNEDY. Mr. Chairman, on that, could I ask Mr. Bellino, who has gone through these records and checked that point with the International Brotherhood of Teamsters, to take the stand?

The CHAIRMAN. Let that check be made exhibit No. 93.

(The document referred to was marked "Exhibit No. 93." for reference and will be found in the appendix on pp. 1449-1450.)

(At this point, Senator McCarthy withdrew from the hearing room.)

The CHAIRMAN. Mr. Bellino, will you walk around in front of the table so we can interrogate you about it, please?

(Members present at this point: The Chairman, and Senator Goldwater.)

The CHAIRMAN. Mr. Brewster will suspend for a moment while we interrogate Mr. Bellino. Just remain where you are, please, sir.

TESTIMONY OF CARMINE S. BELLINO—Resumed

The CHAIRMAN. Mr. Bellino, you have been previously sworn?

Mr. BELLINO. Yes, sir.

The CHAIRMAN. You are a member of the staff of this committee?

Mr. BELLINO. Yes, sir.

The CHAIRMAN. All right, Mr. Counsel.

Mr. KENNEDY. Can we have the voucher in front of Mr. Bellino?

(Document handed to witness.)

Mr. KENNEDY. Mr. Bellino, that is a voucher of expenses for Mr. Frank Brewster?

Mr. BELLINO. Yes, sir.

Mr. KENNEDY. On the face it states what?

Mr. BELLINO. On the face of it, it says it is in connection with expenses for his attendance to the American Federation of Labor convention held in Los Angeles.

Mr. KENNEDY. Did you check on that and also have conversations with the international, individuals at the International Brotherhood of Teamsters, to determine whether that voucher there was for the convention that was held by the teamsters in Los Angeles?

Mr. BELLINO. Yes, sir.

Mr. KENNEDY. Would you tell us what report you received?

Mr. BELLINO. It was reported that this was an error on the part of the secretary of Mr. Brewster in typing in the American Federation of Labor convention; that actually covered their own convention in Los Angeles which was held in October 1952, and the bill was paid December 2, 1952.

Mr. KENNEDY. You received that information from an official in the teamsters that would have that?

Mr. BELLINO. That was from Mr. Mullenhotz, of the International Brotherhood of Teamsters; yes, sir.

The CHAIRMAN. Are there any further questions of Mr. Bellino?

Mr. KENNEDY. No.

(Members present at this point: The chairman and Senator Goldwater.)

TESTIMONY OF FRANK W. BREWSTER, ACCOMPANIED BY HIS COUNSEL, JERRY N. GRIFFIN AND JOHN K. PICKENS—Resumed

The CHAIRMAN. Have you anything to say, Mr. Brewster?

Mr. BREWSTER. I certainly have something else to say. I think there was an A. F. of L. convention there at that time.

The CHAIRMAN. That can be established.

Mr. BREWSTER. Yes. I would like to check with Mr. Mullenhotz myself.

The CHAIRMAN. All right.

Mr. BREWSTER. Thank you.

The CHAIRMAN. Mr. Brewster, this morning in testimony regarding the pension fund, I asked you the source of it, and the amount that was collected, I believe, from the employer. If I am not mistaken, you replied that they collected 10 cents per month from each member.

Mr. BREWSTER. No; per hour. I am sorry.

The CHAIRMAN. I think you said per month, and someone called it to my attention that knows more about it than I do. What you collect from them is 10 cents per hour?

Mr. BREWSTER. That is right. If I said month, I certainly erred in that statement.

The CHAIRMAN. Well, you did say month, and it occurred to me, and I meant to interrogate you further at the time, that that was a very small collection for a pension fund.

Mr. BREWSTER. It wouldn't buy much; would it?

The CHAIRMAN. It would not buy much; no, sir. But 10 cents per hour—

Mr. BREWSTER. With the exception of the trucking industry, which is probably about 35,000 people. It is 5 cents, during the life of their contract, per hour.

The CHAIRMAN. All right. I just wanted to get the record straight.

Mr. BREWSTER. Yes, sir. I am glad you corrected that.

Mr. KENNEDY. Mr. Brewster, as I understand it, each union is supposed to pay for its own delegates; is that right?

Mr. BREWSTER. Yes.

Mr. KENNEDY. I see here that the Joint Council 28 was paying for a member from Montana, Mr. Ralph LaFay—no; Ralph Benjamin, from Montana. What would be the reason for that?

Mr. BREWSTER. Ralph Benjamin isn't from Montana. Ralph Benjamin was our—

Mr. KENNEDY. Local 666?

Mr. BREWSTER. Well, the local union: I think I explained that a few minutes ago. Ralph Benjamin was our editor of our publication, the Washington Teamster. He wanted to be a delegate, and there was a credential from Montana that they did not send a delegate, and he used that credential and was sent down by the Joint Council of Teamsters, of which he is an employee, or was an employee.

Mr. KENNEDY. And Mr. Ray LaFay?

Mr. BREWSTER. Ray LaFay was another one of those examples where a local union had all of the credentials that they could use, and they had another delegate that they wanted to send, and they used another local union to go down. That is all in the 11 Western States.

Mr. KENNEDY. When we were out there, Mr. Bellino tried to get the cashbook of Joint Council 28, the convention fund, in order to study this matter, and when he received the book, the first 63 pages had been cut out. Do you know anything about that?

Mr. BREWSTER. Yes. I think so. It was an old book. It was another transaction altogether, and an old book that we picked up, cut the pages out and started over. There wasn't anything destroyed that I know of.

Mr. KENNEDY. When did you cut them out?

Mr. BREWSTER. I don't know. When we put in the new part of it, or started putting them in.

Mr. KENNEDY. They told us that it had been cut out recently.

Mr. BREWSTER. I never heard of such a thing. I knew there was an old book used for that purpose, because it was just used to put it in. I don't know why anything was cut out.

Mr. KENNEDY. Why was it cut out?

Mr. BREWSTER. I don't know that it was. I didn't cut it out.

Mr. KENNEDY. I thought you said you heard about it.

Mr. BREWSTER. I heard that there was an old book that was used, and it would probably be natural that there was some things that wasn't relevant to the fund itself, and they cut it out and they used it over again.

Mr. KENNEDY. How did they cut it out? Did they cut it out and throw it away? If they cut it out, it is gone. Why did they cut it out?

Mr. BREWSTER. I don't think it referred to this fund.

Mr. KENNEDY. Why would they cut it out?

Mr. BREWSTER. Why would they leave it in if it didn't refer to the fund?

Mr. KENNEDY. If it is in, why would somebody cut it out?

Mr. BREWSTER. I think it is natural to cut it out, if it doesn't refer to the fund itself.

Mr. KENNEDY. Do you know who cut it out?

Mr. BREWSTER. No, I don't. Who said it had been cut out recently? Maybe he could tell you, or she, or whoever it was.

Mr. KENNEDY. When did you hear it had been cut out? How long ago?

Mr. BREWSTER. I heard when that started, Peggy Thayer asked me if I had any objection in keeping this account in one of the old books that they had that they hadn't used very much of. I said I had no objection and I thought it would be a good thing to use.

Mr. KENNEDY. When did you hear it was cut out?

Mr. BREWSTER. I never knew it was cut out.

Mr. KENNEDY. You said you knew it was cut out.

Mr. BREWSTER. I never said that. I said if it was cut out, it was cut out because it wasn't relevant.

Mr. KENNEDY. You said it was cut out. "I heard all about that," you said. When was it cut out?

Mr. BREWSTER. I wish you would read back to where I said that.

Mr. KENNEDY. Did you ever hear it was cut out?

Mr. BREWSTER. Read where I said it was cut out and I knew it was cut out.

Mr. KENNEDY. All right. Read it.

Mr. GRIFFIN. How about reading the last 5, 6, or 7 questions. That is about where it was cut out.

The CHAIRMAN. I did not understand.

Mr. GRIFFIN. From the time where he said it was cut out, the witness, read the rest of the questions and let us see how much repetition we have from the counsel.

Mr. KENNEDY. Why not just go back to the original questions.

(The reporter read from his notes as requested, as follows:)

Mr. KENNEDY. When we were out there, Mr. Bellino tried to get the cash book of Joint Council 28, the convention fund, in order to study this matter, and when he received the book, the first 63 pages had been cut out. Do you know anything about that?

Mr. BREWSTER. Yes. I think so. It was an old book. It was another transaction altogether, and an old book that we picked up, cut the pages out and started over. There wasn't anything destroyed that I know of.

Mr. KENNEDY. That is the answer.

Mr. BREWSTER. It still goes. I don't know of anything that was destroyed that was relevant.

Mr. KENNEDY. You said, "Yes, I knew about it."

Mr. BREWSTER. I knew it was an old book.

Mr. KENNEDY. When did you first hear that 63 pages were cut out?

Mr. BREWSTER. I didn't know that there were 6 or 63 that were cut out.

Mr. KENNEDY. Let me rephrase it. When did you learn that the pages were cut out?

Mr. BREWSTER. I think I explained that, and I will explain it again.

Mr. GRIFFIN. Mr. Chairman, the witness has answered at least five times that he didn't know when the—

The CHAIRMAN. We will straighten it out very quickly. When did you first know those pages had been cut out?

Let us have order, please.

Mr. BREWSTER. I did not know that they were actually cut out.

The CHAIRMAN. When did you know they were out?

Mr. BREWSTER. I knew this, that Peggy Thayer said that she had a chance to use an old book, and that I had no objection to, and in my recollection, I think she said, "There are some old pages that I will have to take out," and that is about—

The CHAIRMAN. Then you knew it at the time?

Mr. BREWSTER. At that time, yes, sir.

The CHAIRMAN. All right, then. That is all we have been asking.

Mr. BREWSTER. That is all there is to it.

The CHAIRMAN. Go ahead.

Mr. KENNEDY. When did Peggy Thayer have that conversation with you?

Mr. BREWSTER. When this fund first started. I think it was 1942 or 1943.

Mr. KENNEDY. 1942?

Mr. BREWSTER. Yes.

Mr. KENNEDY. Do you mean that 63 pages were cut out in 1942?

Mr. BREWSTER. 63 pages—I don't know if there are 6, or 63 or 6.

Mr. KENNEDY. I stand corrected. The pages that were cut out.

Mr. BREWSTER. Yes. I heard. She talked to me about putting in—I remember this very distinctly—she talked to me about using an old book.

Mr. KENNEDY. Go ahead.

Mr. BREWSTER. And she said that she would take these pages that were in there and cut them out and use the old book and it would answer the purpose, because it was a fund that was coming in there, and it would be a permanent fund and there wouldn't be much expense going out, and there would be just a record of keeping the moneys coming in.

Mr. KENNEDY. Mr. Brewster, do you mean to tell this committee that you cannot remember what happened to \$160,000, but you can remember a conversation you had with a secretary 15 years ago?

Mr. BREWSTER. I remember this particular one, yes.

Mr. KENNEDY. The convention fund did not start until 1946 or 1947, did it? This book didn't start until 1946 or 1947.

Mr. BREWSTER. Maybe it was 1947. I said 1942. I was thinking of the last convention. I will tell you when it probably was, then. It was probably in 1948. 1947 or 1948. It was after the convention. That is when it was. It wasn't in 1942.

Mr. KENNEDY. And you remember this conversation with the secretary?

Mr. BREWSTER. I remember that particular conversation, yes, I do.

(Members present at this point: The chairman and Senator Goldwater.)

Mr. KENNEDY. Mr. Chairman, could I just ask Mr. Bellino another question about the 63 pages?

The CHAIRMAN. Mr. Bellino may be asked the question.

You may remain where you are.

TESTIMONY OF CARMINE S. BELLINO—Resumed

Mr. KENNEDY. Mr. Bellino, did you go to Seattle over the period of the last couple of weeks?

Mr. BELLINO. Yes, sir.

Mr. KENNEDY. Did you go into the Teamster headquarters and ask for the Joint Council 28 convention fund book?

Mr. BELLINO. Yes, sir.

Mr. KENNEDY. Did they submit the book to you with the first 63 pages cut out?

Mr. BELLINO. Yes, sir.

Mr. KENNEDY. Did they give an explanation to you as to why the 63 pages had been cut out or when they had been cut out?

Mr. BELLINO. Mrs. Wise, the young lady in charge of the records the day I was there, stated that—first, before she answered, she turned

to her attorney, Mr. Davis, and said, "Shall I answer his question?" And he told her to go ahead and answer. Then she said, "The 63 pages were torn out because the committee subpoena called for the production of records starting January 1, 1950, so they tore out everything prior to January 1, 1950."

However, they actually tore out prior to February 1, 1953. So there are 63 pages, starting in July 1947, to the end of January 1950, that have been torn out physically and later it was stated that they were thrown in a wastepaper basket.

The CHAIRMAN. I have just a question, Mr. Bellino. Do I understand from the information given you at the time you inquired about the book from the lady in charge of it, that she gave you the information that they had just been torn out since the subpoena for the records?

Mr. BELLINO. Yes, sir.

The CHAIRMAN. In other words, she had made no reference to having torn them out in 1948 or at some time when this new record was started?

Mr. BELLINO. No, sir.

The CHAIRMAN. That is the statement she made in the presence of her attorney?

Mr. BELLINO. Yes, sir.

The CHAIRMAN. Was she under oath at that time?

Mr. BELLINO. No, sir.

(Members present at this point: The chairman and Senator Goldwater.)

TESTIMONY OF FRANK W. BREWSTER, ACCOMPANIED BY HIS COUNSEL, JERRY N. GRIFFIN AND JOHN K. PICKENS—Resumed

The CHAIRMAN. Mr. Brewster, do you think you now remember the conversation having taken place in 1948?

Mr. BREWSTER. I still think in 1948 there was an old book and there were some of the records in the first part of it. This is the first time I have heard this. I certainly never instructed anybody, I never had anything to do with it.

The CHAIRMAN. I did not say so.

Mr. BREWSTER. No, but I didn't.

The CHAIRMAN. Now, if it developed as a fact, if that is established, that these pages were removed subsequent to the establishment of this committee and a subpoena for those records, then your recollection, you would think, is in error about what occurred in 1948, would you not?

Mr. BREWSTER. If you can prove that, it probably was.

The CHAIRMAN. Are there any further questions?

Mr. KENNEDY. I would like to ask you about another subject. Dimmy Lee Walton—who is Dimmy Lee Walton?

Mr. BREWSTER. She is an interior decorator.

Mr. KENNEDY. Has she done some work for the Teamsters?

Mr. BREWSTER. Quite a bit of work.

Mr. KENNEDY. Where does she operate?

Mr. BREWSTER. Los Angeles.

Mr. KENNEDY. Los Angeles?

Mr. BREWSTER. Yes, sir.

Mr. KENNEDY. Where does she do work for the teamsters?

Mr. BREWSTER. In our building. Right now I think she—well, in fact, I am sure now she is decorating the new building that we have—that we just completed in Seattle. She did the old building that the western conference office is in.

The CHAIRMAN. We will suspend with this witness for the moment. You may remain seated, Mr. Brewster.

I think I read into the record of these proceedings on March 15 a telegram that I addressed as chairman at that time to Mr. Dave Beck, in which Mr. Beck was requested to furnish to this committee certain personal financial records. There has been quite a bit of interest manifested in that request since, and I indicated at the time that we would expect Mr. Beck to reply by 3 o'clock today, our time. Just before 3 o'clock today the Chair received the following telegram:

The Honorable John L. McClellan, Senate Office Building, Washington, D. C., from Seattle, Wash.

On advice of counsel, I recognize the authority of your committee to require my presence before you. This is to inform you that I will appear voluntarily at your pleasure and will then bring with me the records covering the period you specify without prejudice to my rights under the Constitution and Bill of Rights.

(Signed) DAVE BECK.

The Chair has just dispatched the following telegram to Mr. Beck:

Reurtel this date, in which you recognize the authority of this committee to require your present before it, and also the production of your financial records covering the period specified in my telegram to you on March 15, 1957. Accordingly you are advised the committee requires you to appear before it on next Tuesday, March 26, 1957, at 10 o'clock, room 318, Senate Office Building, Washington, D. C., and then and there produce "all of your personal financial books and records maintained by you and by others on your behalf for the years 1949 through 1955, pertaining to any loans or advances from the International Brotherhood of Teamsters or any unit thereof, and all your personal financial books and records maintained by you and by others on your behalf for the years 1949 through 1955 pertaining to any financial transactions that you have had with companies, corporations, or individuals having contracts or financial dealings with the International Brotherhood of Teamsters or any unit thereof" as requested in my wire to you on March 15, 1957. Please confirm by wire promptly that you will comply.

It is signed by me as chairman of this committee.

The Chair would observe that in Mr. Beck's telegram he concludes by saying he will provide the records that were specified in the telegram of March 15 "without prejudice to my rights under the Constitution and Bill of Rights." The Chair is unable to determine from that language whether that means the records will be made available or only brought here to have them physically present.

I trust, however—it is my sincere hope—that that language means that the records will be produced and made available for examination by this committee and members of its staff. Only Mr. Beck can clarify that statement. I cannot at this time.

Is there any comment?

If not, we will proceed.

Mr. KENNEDY. Mr. Brewster, I was discussing with you the transactions that the teamsters have had with Dimmy Lee Walton. She is an architect: is that right?

Mr. BREWSTER. Interior decorator.

Mr. KENNEDY. Interior decorator?

Mr. BREWSTER. Yes, sir.

Mr. KENNEDY. Does she do work in Seattle as well as Los Angeles?

Mr. BREWSTER. Yes, she does.

Mr. KENNEDY. For your headquarters?

Mr. BREWSTER. For our headquarters, yes,

Mr. KENNEDY. For the teamster headquarters?

Mr. BREWSTER. The teamster headquarters.

Mr. KENNEDY. Has she done any work in your home or any of your homes?

Mr. BREWSTER. She assisted, years ago, just when she was living there, and worked with my wife. My wife at that time, my wife, thought she was an interior decorator herself and she did the job.

Mr. KENNEDY. How long ago was that?

Mr. BREWSTER. About 1947. She lived in Seattle at that time.

Mr. KENNEDY. Was that the last time she ever did any work for you personally?

Mr. BREWSTER. I think it is. I think that that is about the date. It might have been 1948.

Mr. KENNEDY. Not since 1950?

Mr. BREWSTER. I don't think so. She might have since 1952. It might have been 1950 or 1951, possibly, when we moved. She might have assisted and helped.

Mr. KENNEDY. Has she done work there since 1951 in your home?

Mr. BREWSTER. No.

Mr. KENNEDY. She has not?

Mr. BREWSTER. I don't believe so. I think that is about right.

Mr. KENNEDY. Did you pay her for the work that she did from your own funds or did the teamsters pay her?

Mr. BREWSTER. No; I paid her.

Mr. KENNEDY. She also did some work for Mr. John Sweeney, did she not?

Mr. BREWSTER. That is true.

Mr. KENNEDY. And the Western Conference of Teamsters paid for the work that she did in his home?

Mr. BREWSTER. They paid for some of the things in his home, drapes and so forth.

Mr. KENNEDY. Well, did they pay for an imported crystal chandelier, for \$174, imported crystal fixture, a woven casement to close off working area, for \$189, curtains for the lower bath? I notice that this bill here on November 22, 1954, is \$514. Then they carpeted for \$2,489.06. Then they put foam rubber padding in for \$382. The next bill is November 1, 1954, and was for \$2,818.

The CHAIRMAN. Is all of that on Mr. Sweeney's home?

Mr. KENNEDY. That is correct. We have some more here.

The CHAIRMAN. All right. Go ahead.

Mr. KENNEDY. The summary of those that I have given is carpeting, \$2,818; living room and dining room, \$1,274.19; the master bedroom and boy's room, \$1,018.82; the guest room and kitchen, \$299.72; the master bath and recreation room, \$1,378.75; the lining for the entire job was \$233.95; packing and shipping charges, \$63.15; making a total of \$5,847.58.

The CHAIRMAN. How was that paid?

Mr. KENNEDY. The total, Mr. Chairman, ultimately, was \$6,663.37. There was some other work done, and it was all paid out of the Western Conference of Teamsters.

The CHAIRMAN. Do you have the check?

Mr. KENNEDY. Yes, sir.

The CHAIRMAN. Let us have the check.

Mr. KENNEDY. These are the three checks that cover the total. The first bill, Mr. Chairman, is for \$514. This is the bill that goes with it, Dimny Lee Walton. Dimny Lee Walton calls it the Sweeney job.

The CHAIRMAN. The Chair presents to you, Mr. Brewster, what purports to be an invoice or a bill, a statement of account entitled "The Sweeney Job" on Dimny Lee Walton's stationery, dated November 22, 1954, and I also present to you what purports to be a photostatic copy of a check drawn by Western Conference of Teamsters, signed by yourself and John J. Sweeney, to Dimny Lee Walton, dated December 9, 1954, in the amount of \$514.

Will you examine these documents and see if you identify them?

(Documents handed to witness.)

(The witness conferred with his counsel.)

Mr. BREWSTER. This check is made under date of December 9, 1954, check No. 7937, Dimny Lee Walton, for \$514, and it checks with the invoice and statement presented at that time.

(At this point, Senator Goldwater withdrew from the hearing room.)

The CHAIRMAN. That may be made exhibit No. 94, A and B.

(The documents referred to were marked "Exhibits Nos. 94-A and 94-B" for reference and will be found in the appendix on pp. 1451-1452.)

The CHAIRMAN. Was that money paid out for personal benefits—we will have to take a minute recess. Everyone will be at ease for 10 minutes.

(Brief recess.)

(Present at the taking of the recess: The chairman.)

(Present after the taking of the recess: The chairman and Senator Goldwater.)

The CHAIRMAN. The committee will come to order.

I believe the witness has just examined a check and a statement. They have been made exhibits 94-A and B.

The Chair hands to you several similar statements dated November 1, 1954, one reflecting "The Sweeney Job" in the amount of \$2,818, another one reflecting \$5,847.56, showing a payment on account of \$4,039.06, leaving a balance of \$1,808.52. The statement is to Mr. F. W. Brewster.

Another one, the Sweeney job, living room and dining room, totaling \$1,274.19; another one, the Sweeney job, master bedroom and boy's room totaling \$1,018.82, and then another one showing the master bathroom, recreation room, lining, packing, and shipping in various amounts. It does not show the total. That is still on the Sweeney job.

Another one on the Sweeney job, guest bedroom and kitchen in the amount of \$299.72. Another one is dated September 28, 1954, which is a letter to Mr. Brewster, confirming the amount of \$4,039.06 to which I have previously referred.

There is also one covering the venetian blinds, to which I have referred, an itemized statement, and drapes, in the amount of \$391.79.

Mr. Brewster, will you examine these statements to which the Chair has just referred and see if you identify them?

(At this point, Senator McCarthy entered the hearing room.)

(Documents handed to witness.)

(The witness conferred with his counsel.)

Mr. BREWSTER. Does the Chair wish to have me read them?

The CHAIRMAN. No, sir. Just identify them, if you will, as the Chair has read them, and say that you recognize what they are, if they do.

(At this point, Senator Mundt entered the hearing room.)

(The witness conferred with his counsel.)

Mr. BREWSTER. Mr. Chairman, I have read them.

The CHAIRMAN. Do you recognize them as statements rendered by Dimny Lee Walton?

Mr. BREWSTER. I do.

The CHAIRMAN. For the purposes indicated?

Mr. BREWSTER. I do.

The CHAIRMAN. They may be made exhibit No. 95-A, B, C, D, E, F, G, and H.

(The documents referred to were marked "Exhibit 95-A, 95-B, 95-C, 95-D, 95-E, 95-F, 95-G, and 95-H" for reference and will be found in the appendix on pp. 1453-1460.)

The CHAIRMAN. The Chair now presents to you two checks, photostatic copies of checks, one dated September 30, 1954, to Dimny Lee Walton, by the Western Conference on Teamsters, signed by you as president, and John J. Sweeney, secretary-treasurer, in the amount of \$4,039.06, and another check dated November 16, 1954, No. 7878, drawn on the same account, and to the same payee in the amount of \$2,110.31, and asks you to examine these checks and see if you identify them.

(Documents handed to witness.)

(The witness conferred with his counsel.)

Mr. BREWSTER. Were there only the two checks, Mr. Chairman?

The CHAIRMAN. You do recognize the checks? Do you recognize the two checks that the Chair has just presented to you?

Mr. BREWSTER. I do.

The CHAIRMAN. They may be made exhibits 96-A and B.

(The documents referred to were marked "Exhibits 96-A and 96-B for reference and will be found in the appendix on pp. 1461-1462.)

Mr. KENNEDY. Mr. Chairman, I would like to point out that those 3 checks, the one that he examined prior to the recess with those 2 checks, make a total of Dimny Lee Walton of \$6,663.37, and that these payments to Dimny Lee Walton, according to the records of the Western Conference of Teamsters, were for work done on John J. Sweeney's home.

The CHAIRMAN. Do you have any comment, Mr. Brewster?

Mr. BREWSTER. Yes, sir.

The CHAIRMAN. All right.

Mr. BREWSTER. Sweeney had moved into Portland about less than 18 months, I believe, and has bought a new home, had furnished it, put the carpeting, drapes, and he was settled in his new home, and we hired him to come to Seattle, the western conference did. Sometimes, I believe, in the latter part of August or the first part of September, I believe the minutes will show that we hired him with a provision that he would not lose any money on the home that he had purchased by virtue of his change in location. I think the minutes will show that, and I don't know whether the minutes are here.

The CHAIRMAN. Do you know where the minutes are?

Mr. BREWSTER. Well, I think they are here.

The CHAIRMAN. Do you have the minutes?

Mr. BREWSTER. The transaction relative to carpeting his place and putting in the drapes, and also that there would be no loss in purchasing the house, he would not lose anything. He had to sell it down there in a hurry.

(At this point, Senator McCarthy withdraw from the hearing room.)

Mr. KENNEDY. We made a study, again, of the minutes and find no mention of it.

Mr. BREWSTER. I will explain the minutes. I am sure there are some there somewhere.

The CHAIRMAN. Will you get the minutes, if they are available, if they have not been destroyed?

Mr. BREWSTER. Yes, I will get them.

The CHAIRMAN. Will you get those minutes and make them available?

Mr. BREWSTER. I will, yes, sir, that portion of them, I certainly will.

Mr. KENNEDY. Mr. Salinger of the committee staff is here, Mr. Chairman, and he has made a study of the minutes. He is available to testify as to whether he has found this in the minutes.

The CHAIRMAN. Mr. Salinger, come around in front of the table.

Mr. GRIFFIN. Mr. Chairman, to save time, can't the witness tell his story and then—

The CHAIRMAN. Let us keep the record somewhat in order. It will not take but a moment.

(Members present at this point: The Chairman, Senators Mundt and Goldwater.)

TESTIMONY OF PIERRE E. G. SALINGER—Resumed

The CHAIRMAN. Mr. Salinger, you have been previously sworn. You are a member of this staff.

The question has arisen here regarding these payments to Dimmy Lee Walton in the amount of something over \$6,000, and checks which have been presented, and statements which have been presented, which have been identified and made exhibits to the record. You have been present during this testimony, have you?

Mr. SALINGER. Yes, sir.

The CHAIRMAN. You heard the testimony?

Mr. SALINGER. I have, sir.

The CHAIRMAN. Are you the one who examined the records to try to determine the source and the occasion for these payments?

Mr. SALINGER. I examined what minutes were available in the Western Conference of Teamsters, sir.

The CHAIRMAN. Among those that have been made available to you, or that you have been able to secure, have you examined them carefully?

Mr. SALINGER. Yes, sir.

The CHAIRMAN. Have you found in any of those minutes any reference to these transactions that have been related here for which these checks are in payment?

Mr. SALINGER. I have not, sir.

The CHAIRMAN. Those records are present here, available in the committee, those minutes?

Mr. SALINGER. The minutes were gone over in the office of the Western Conference of Teamsters in Seattle, sir.

The CHAIRMAN. You do not have them here?

Mr. SALINGER. No, sir. They are in Seattle.

The CHAIRMAN. Did you go over all of the minutes of the Western Conference of Teamsters that were made available to you?

Mr. SALINGER. We did, sir.

The CHAIRMAN. What period did they cover, if you recall?

Mr. SALINGER. They went from October 1954 to the present time. There were no minutes prior to October 1954.

The CHAIRMAN. No minutes prior to that?

Mr. SALINGER. That is right, sir.

The CHAIRMAN. Do you know where the others are?

Mr. SALINGER. I made inquiry as to where minutes might be prior to October 1954, and I was told by one teamster official they were not sure that they kept minutes before October 1954, and one other told me they didn't know where they were and they were not available. At least, I saw no minutes prior to October 1954.

The CHAIRMAN. You went there to get the minutes, get the records, and you asked for them?

Mr. SALINGER. That is right, sir.

The CHAIRMAN. Are there any questions?

You may stand aside.

(Members present at this point: The chairman, Senators Mundt and Goldwater.)

TESTIMONY OF FRANK W. BREWSTER, ACCOMPANIED BY HIS COUNSEL, JERRY N. GRIFFIN AND JOHN K. PICKENS—Resumed

The CHAIRMAN. Mr. Brewster, you may resume your explanation.

Mr. BREWSTER. Well, I think the minutes will show it.

Sweeney came to Seattle and was hired by the policy committee of the Western Conference of Teamsters.

The CHAIRMAN. Sweeney came from where?

Mr. BREWSTER. From Portland.

The CHAIRMAN. What was he doing in Portland before he came up there?

Mr. BREWSTER. He was an international organizer for the International Brotherhood of Teamsters.

The CHAIRMAN. What was he when he got to Seattle?

Mr. BREWSTER. He was made secretary-treasurer of the Western Conference of Teamsters.

The CHAIRMAN. Was he elected to that position or appointed?

Mr. BREWSTER. He was appointed for the remainder of the term that Gordon Lindsay served, and he was elected at the next conference.

The CHAIRMAN. What was his salary at that time, as secretary?

Mr. BREWSTER. \$15,000.

The CHAIRMAN. What was his salary prior to that, as international organizer?

Mr. BREWSTER. It was either twelve or thirteen thousand. I am not positive.

The CHAIRMAN. Twelve or thirteen thousand?

Mr. BREWSTER. I know it was at least 12, and I think it was 13.

The CHAIRMAN. Then what you are trying to testify is that this amounted to a bonus of \$6,000 plus, for him to change jobs and get an increase in salary from two to three thousand dollars a year?

Mr. BREWSTER. I do not.

The CHAIRMAN. All right, what is it?

Mr. BREWSTER. We are trying to make, and which we have completed by now, and his estate is in probate and as soon as it comes out everything above that that was voted at our conference, at our policy committee, rather, he will pay and he will not lose any money on the purchase of his home by virtue of having to move to Seattle. I think that it won't be very much that the Sweeney estate will owe, but how much I would not endeavor to state. But there is a certain investment that he had in the home, and anyone knows when you sell a home——

The CHAIRMAN. Have you got any record of it?

Mr. BREWSTER. I think we have.

The CHAIRMAN. You do not think that has been destroyed?

Mr. BREWSTER. I don't think so. I think it is in the minutes that they have.

Mr. KENNEDY. How did you determine how much of his bills you were going to pay?

Mr. BREWSTER. That would be determined after a complete inventory was taken. In other words, his house in Oregon, we will say, was a \$20,000 house, and he lost—may I finish it?

The CHAIRMAN. All right.

Mr. BREWSTER. And his furnishings and everything with it, upon moving, he lost \$5,000. Then he would owe, in my opinion, \$1,663.37.

Mr. KENNEDY. How did you determine that when this woman came in and started fixing up the house?

Mr. BREWSTER. We had notes of Sweeney covering everything that would happen.

Mr. KENNEDY. Do you have any of those notes?

Mr. BREWSTER. No. But you have, haven't you?

Mr. KENNEDY. Notes of his covering this Dimney Lee Walton?

Mr. BREWSTER. No: notes of Sweeney's covering whatever he would receive.

Mr. KENNEDY. No. But what about this money that he received?

Mr. BREWSTER. Well, the notes would cover this.

Mr. KENNEDY. I haven't received any notes. We haven't got any notes.

Mr. BREWSTER. Haven't you any notes of Sweeney's?

Mr. KENNEDY. Not like that, covering Dimny Lee Walton.

Mr. BREWSTER. No: but you have notes.

Mr. KENNEDY. Of other loans.

Mr. BREWSTER. Yes: you have notes of other loans, and that is included in this. This transaction, in my opinion, was just the same as anybody else, if they ask somebody to move from one place to another. I don't think it is expected. I know that the Pacific Fruit & Produce. I remember several instances where people moved from one place to the other, and if they lost money on the house that they purchased, that was made up.

The CHAIRMAN. Let me ask you this question. Let us get something concrete here. He moved up there in August 1954, did he?

Mr. BREWSTER. Either the latter part of August or the first part of September.

The CHAIRMAN. 1954?

Mr. BREWSTER. That is right.

The CHAIRMAN. When did he die?

Mr. BREWSTER. He died November 2, 1956.

The CHAIRMAN. A period of 2 years time since this money was advanced, if it was advanced in the manner that you say it was and for the purposes, a period of 2 years time that were was no accounting of it?

Mr. BREWSTER. I believe that the notes covered it, myself. I know that he signed a note for \$12,000. I think that would more than cover it.

The CHAIRMAN. Let me present you another check dated August 25, 1954, payable to John Sweeney, in the amount of \$25,000, signed by you and Fred Verschueren, Jr. Will you examine that check and see if you identify it?

(Document handed to witness.)

(The witness conferred with his counsel.)

Mr. BREWSTER. Yes, sir. That is for John Sweeney, signed by myself and Fred Verschueren, Jr., in the amount of \$25,000. That was for the purchase of his home, for the mortgage that he made payments monthly on and interest.

The CHAIRMAN. Then what was the \$12,000 note for?

Mr. BREWSTER. To cover up any other amounts that he might owe for stocks or anything else he bought.

The CHAIRMAN. Just a blank note to cover any transaction he might have, is that your statement?

Mr. BREWSTER. That is not exactly the statement, but that would figure about what we figured would be a good coverage.

The CHAIRMAN. Where is that note?

Mr. BREWSTER. I think the committee has it, haven't they? Or the investigator.

The CHAIRMAN. Was a note given for the \$25,000?

Mr. BREWSTER. The mortgage was given on that.

The CHAIRMAN. You give a mortgage to secure a note. Was a note given or was that taking up an old mortgage?

Mr. BREWSTER. No, there wasn't any old mortgage on there. That was the entire amount of the house.

The CHAIRMAN. That was the amount he was paying for the house that he bought in Seattle, is that correct?

Mr. BREWSTER. That is correct.

The CHAIRMAN. And all that money was advanced to him by the conference?

Mr. BREWSTER. That is correct.

The CHAIRMAN. Are there any further questions?

We will let that \$25,000 check be made exhibit No. 97.

The document referred to was marked "Exhibit No. 97," for reference, and will be found in the appendix on p. 1463.)

Senator MUNDT. You used a word that intrigued me. I think perhaps you misspoke yourself, or if not it needs more explanation. You said the \$6,000 was to compensate Sweeney for any loss that he might have had in stocks.

Stocks? I do not see why you should be covering any losses he would have in a stock transaction.

MR. BREWSTER. Well, no, I didn't mean that. That isn't it. That was any loss that he might be in in the investments that he made in his home.

Senator MUNDT. In Portland?

MR. BREWSTER. In Portland.

Senator MUNDT. You used the term "stocks or any other transaction."

MR. BREWSTER. That was a misstatement. I am glad you corrected me.

The CHAIRMAN. Senator Goldwater?

Senator GOLDWATER. Do you recall what Mr. Sweeney sold his house in Portland for?

MR. BREWSTER. I don't know the exact amount, but I believe that we have that on record, just exactly what he paid for it and what he sold it for and what he had in it.

Senator GOLDWATER. Did he have a loss on that transaction?

MR. BREWSTER. I know that he had a loss. How much, Senator, I wouldn't dare to say.

Senator GOLDWATER. Would it be \$25,000?

MR. BREWSTER. No. The whole home wasn't worth \$25,000.

Senator GOLDWATER. You explained your action in paying for decorating bills by saying that you felt that he should have that courtesy extended to him. You went on to say, in effect, that any losses he sustained in selling his Portland house should be borne by the teamsters.

MR. BREWSTER. That is right.

Senator GOLDWATER. You just testified that you took a \$25,000 mortgage on a house that he bought up there. Was that the amount that he lost in Portland?

MR. BREWSTER. No, it wasn't. That was a different transaction altogether, and we hold a mortgage, and he paid his payments and interest on it every month.

Senator GOLDWATER. Did he lose as much on the Portland transaction as you paid out in decorator bills in Seattle?

MR. BREWSTER. I think it is pretty close.

Senator GOLDWATER. Do you mean he lost around \$6,000?

MR. BREWSTER. I think it would go pretty close, Senator, to \$6,000.

The CHAIRMAN. What I cannot understand is why there has never been an accounting of this over a 2-year period of time, so you would know and have a record of it.

MR. BREWSTER. Well, I think there is a record.

The CHAIRMAN. The strange thing about this is that we get into these things and then we find we are always going to do something about it. It may be that we are rendering quite a service here, this committee, to help you get your books straightened out and get these things settled up so somebody can tell heads from tails about it.

MR. BREWSTER. That is an understatement.

The CHAIRMAN. I believe it is, too, sir.

Go ahead.

MR. KENNEDY. You were talking with Senator Mundt about stock. Were there any stock payments or any stock purchases that were made by the Western Conference of Teamsters for Mr. Sweeney?

Mr. BREWSTER. Yes, there was.

Mr. KENNEDY. Is that what you had in mind, to make up?

Mr. BREWSTER. That is what it was, and also——

Mr. KENNEDY. I don't think that your answer to Senator Mundt gave that impression.

Mr. BREWSTER. I think he was talking about two things, myself. I didn't refer to the house as stock. He referred to the house.

Mr. KENNEDY. You had purchased some stock?

Mr. BREWSTER. Yes, sir.

Mr. KENNEDY. What kind of stock had you purchased for Mr. Sweeney?

Mr. BREWSTER. There is Campbell Soup and there is another long jawbreaker there. Will you read it?

Mr. KENNEDY. Quebec-Chibougunau gold stock.

Mr. BREWSTER. It is copper, isn't it?

Mr. KENNEDY. So you bought Campbell Soup stock?

Mr. BREWSTER. Yes, sir.

Mr. KENNEDY. How much Campbell Soup stock did the Western Conference of Teamsters purchase?

Mr. BREWSTER. I think we purchased 1,000 shares. I am not positive; 3,975, I think. It is when it first went for sale on the market.

Mr. KENNEDY. How much did the Western Conference of Teamsters pay for the Campbell Soup stock, altogether?

Mr. BREWSTER. The full amount of the money?

Mr. KENNEDY. Yes.

Mr. BREWSTER. I know what it was as shares.

Mr. KENNEDY. Would the figure of \$47,000 be about right?

Mr. BREWSTER. I think it probably would be. That would probably be about 1,500 shares, wouldn't it?

Mr. KENNEDY. That Campbell Soup stock was purchased for various of the officers of the Western Conference of Teamsters, is that right?

Mr. BREWSTER. That was purchased and also bought by members and so forth. It was one of those deals that it was on the market one day and it was off the next, supposed to be, and they bought it and asked other people so that we could send a check down for the full amount, and everybody was billed double, billed to the western conference and themselves. Some of them picked it up in cash and some of them paid for it by paying interest, and the stock was left in escrow as assurance.

Mr. KENNEDY. The stock was purchased on November 19, 1954, \$47,000. Had everybody paid for the stock by the end of 1954?

Mr. BREWSTER. No; I don't think so.

Mr. KENNEDY. What was the financial arrangement for the officials of the Western Conference of Teamsters that you were buying the stock for?

Mr. BREWSTER. They would pay interest and \$100 a month on the stock itself, and all the interest on top of that at the rate of 3½ percent.

Mr. KENNEDY. How many of the officials of the western conference was this for?

(The witness conferred with his counsel.)

Mr. BREWSTER. It might possibly have been six, I think. That is my guess.

Mr. KENNEDY. You got some of that stock?

Mr. BREWSTER. Yes, sir.

Mr. KENNEDY. And Nugent LaPoma, of Local 174?

Mr. BREWSTER. I think he did. Have you got it there?

Mr. KENNEDY. And John Sweeney got some of the stock?

Mr. BREWSTER. That is true.

Mr. KENNEDY. Gordon Lindsay's wife, did she get some of it?

Mr. BREWSTER. Yes; she did.

Mr. KENNEDY. George Newell, the broker?

Mr. BREWSTER. Yes. George Newell bought some at that time, and sent a check immediately for that.

Mr. KENNEDY. Sam Bassett, the attorney?

Mr. BREWSTER. Sam Bassett got some and he also paid it up, too, immediately.

Mr. KENNEDY. Fred Galeno?

Mr. BREWSTER. He did the same and paid it up immediately.

Mr. KENNEDY. This stock was purchased by the Western Conference of Teamsters, and then the ones that were selected to get the stock they made their payments later on to the Western Conference of Teamsters; is that right?

Mr. BREWSTER. Yes; they had the stock in escrow for security, and they made payments on it, and also paid interest on the money that was paid for stock.

Mr. KENNEDY. You have a \$785 payment to Francis Du Pont. What was that for?

Was that in connection with the Campbell Soup?

Mr. BREWSTER. 78——

Mr. KENNEDY. Francis I. Du Pont. It was listed on the records as a loan. Didn't that have something to do with the stock?

Mr. BREWSTER. I don't think so. I don't know who she is.

Mr. KENNEDY. It might be a him.

(The witness conferred with his counsel.)

Mr. BREWSTER. It is a brokerage house; is it?

Mr. KENNEDY. Yes. Was that some stock purchased on your behalf by the Western Conference of Teamsters?

Mr. BREWSTER. I don't recall it. Can I see it?

Mr. KENNEDY. Well, I don't know.

Mr. BREWSTER. What?

Mr. KENNEDY. I just want to find out if you have an explanation for it, if it had something to do with the Campbell Soup.

And then the Quebec-Chibouganau gold stock, how much stock did the western conference buy of that, in the purchase of that?

Mr. BREWSTER. \$25,000 or \$30,000. I am guessing.

Mr. KENNEDY. I think \$46,000 worth.

Mr. BREWSTER. \$46,000?

Mr. KENNEDY. Who interested you in the Quebec-Chibouganau stock?

Mr. BREWSTER. A man by the name of Keenan in Los Angeles.

Mr. KENNEDY. I understand it has gone down in value about 50 percent. Do you know that? Are you aware of that?

Mr. BREWSTER. Yes; I am aware of it, and I still think it is good stock.

Mr. KENNEDY. It is listed as highly speculative.

Mr. BREWSTER. It wasn't on the investigation. I had another broker investigate it before we bought it. They were building a rail-

road which is just about finished and as soon as they get that finished, I think it will be up very much in excess of the original payment, I think, of \$4.66 a share.

MR. KENNEDY. Did the members of the union know that their money had been used to purchase the Campbell Soup stock for the various officials?

MR. BREWSTER. I don't think the membership was notified. I don't think we sent a bulletin out to that effect.

MR. KENNEDY. Was the membership informed that the \$46,000 worth of their money was used to purchase the Quebec-Chibougunau gold stock?

MR. BREWSTER. The policy committee was notified.

MR. KENNEDY. That whole \$46,000 was actually in the name of the western conference and remained in the name of the western conference; did it not?

MR. BREWSTER. It did.

MR. KENNEDY. That was a different arrangement than the Campbell Soup stock, where it went back to the various officials.

MR. BREWSTER. No; I think the officials have some.

MR. KENNEDY. You and John Sweeney have an interest of about \$3,755 first, and then a little later, in 1956, of \$2,105.

MR. BREWSTER. That is right.

MR. KENNEDY. But beyond that—

MR. BREWSTER. That is about right.

MR. KENNEDY. You say the policy committee knew about it?

MR. BREWSTER. Yes, sir.

MR. KENNEDY. Are there any minutes in the meetings saying that they approved of the purchase of the \$46,000 worth of Quebec-Chibougunau gold stock?

MR. BREWSTER. Only to the point that I think that I have the authority that was given me in conference to make purchases on stock and so forth that I felt was all right.

MR. KENNEDY. And that stock, as I say, and as I understand you agree, has gone down to about half of that value.

Did you say who interested you in purchasing it?

MR. BREWSTER. James Keenan.

MR. KENNEDY. Where is he from?

MR. BREWSTER. Los Angeles.

MR. KENNEDY. Is he in the stock-brokerage business?

MR. BREWSTER. He is.

MR. KENNEDY. Is he a stock broker?

MR. BREWSTER. He is.

SENATOR MUNDT. Mr. Brewster, the thing that disturbs me about all this, getting back to John C. Truckdriver—"C" standing for the cash he pays in dues to run this whole organization—where does John C. Truckdriver come in if part of the money he pays for dues is used to buy stock for the individual officials at the head of the union?

In a case like Campbell Soup, maybe you did all right, and the stock goes up, and the stock is held in escrow, so you get your money back, and a moderate rate of interest. Stocks sometimes go up and sometimes go down. It seems to me it is a pretty reckless use of the dues that these poor teamsters have to pay if part of the money that they are assessed is used to buy stock for the officials of a union.

If the stock goes down, the treasury goes bust, and up go their dues. Is that what happened? You have it in escrow. That is the only security you had from Mr. Sweeney. You said you kept the stock in escrow and he didn't get the stock until he paid for it. If the stock goes down, what happens?

Mr. BREWSTER. But he had money, in my opinion, and so did I have notes, for the full amount of the stock, regardless of where it went, up or down. It wasn't speculative, as far as the individual who had the stock and had it in escrow, and in my opinion the notes that were covered, and everything else, his job and everything else that went with it, would certainly pay it.

Senator MUNDT. Let's not talk about Mr. Brewster; let's talk about Mr. Sweeney. He was getting himself pretty badly obligated and in debt to the teamsters. He had a \$25,000 mortgage on his home, and he had perhaps another \$20,000 in a note for stock of Campbell Soup.

In his particular case, he passed away, so that he could not continue to make the payments. If the stock went up, there was no loss. But if the stock went down, certainly in that case it would be a direct loss to the teamsters, would it not?

Mr. BREWSTER. In Sweeney's case, he pays off 100 percent, dollar for dollar, on this, as soon as the estate comes out of probate.

Senator MUNDT. In other words, I am just wondering whether you, as a very prominent official of a labor union, feel that it is good practice to use the dues that union members pay to support an organization which is interested in improving their working conditions, wages and hours, to purchase stocks and loan money to officials at lower than bank interest rates, and take those chances which are involved in any kind of stock market transaction.

It would seem to me you are talking about a new constitutional convention, and a new audit system. I am wondering whether in that new constitutional convention you should not spell out certain legitimate uses for dues-paid money and certain things that should not be done.

Mr. BREWSTER. Senator, we will, but I would like to say that it isn't less than banks pay, because we have always gone, when it was made, at least one-half of 1 percent more than you will get in a bank.

Senator MUNDT. I thought you said $2\frac{1}{2}$ percent interest.

Mr. BREWSTER. No; $3\frac{1}{2}$ percent.

Senator MUNDT. Three and a half?

Mr. BREWSTER. Yes, sir.

Senator MUNDT. It isn't the business of this committee, I suppose, other than the fact that the Federal Government does have a responsibility to the dues-paying members, and we set up under the National Labor Relations Board certain regulations to protect labor unions as well as members who pay the dues.

Everything is paid out in this case, but I am certain you are realistic enough to understand it could have gone the other way, if the stock market had gone down.

I got a letter today from a wife of one of the truckdrivers of your union who was complaining because the dues kept going up and her husband had to pay, a nice wifely reaction to any system of dues. Obviously, the dues are going to continue to go up if money is dissipated in unwise stock transactions.

It doesn't seem to me it is quite a legitimate procedure for handling the dues that the members pay.

Mr. BREWSTER. One of our members that the dues had gone up? Which local union do you refer to? I don't know of an increase in dues.

Senator MUNDT. This is over a period of 5 years she is talking about. Have they gone up in 5 years? I surely don't know. The lady wrote me from Oregon. That is all I know. Her husband is a truckdriver, and she says, "Keep after these fellows because our dues have gone up all the time. Maybe you can do something about it."

Mr. BREWSTER. Like you get the same letters on taxes, "Keep after these people; keep taxes down."

Senator MUNDT. That is right. The same procedure exactly.

Mr. BREWSTER. I understand.

Senator MUNDT. Do you think that when you have this constitutional convention you might give some consideration to the ways and means by which the dues of the union members might be legitimately spent and certain restrictions and restraints that would apply to labor union officials as to what they cannot do with the money? Is that right?

Mr. BREWSTER. I think you will see a brandnew constitution. I will send you one.

Senator MUNDT. I would be interested in reading it, because you have me picked out as a prospective member. I am kind of interested.

Mr. BREWSTER. I don't want to make you too prospective, because it looks like you might get my job.

Mr. KENNEDY. Did I understand you, in answer to Senator Mundt's question, that Mr. John Sweeney had repaid his loan?

Mr. BREWSTER. No; I didn't say that.

Mr. KENNEDY. What did you say?

Mr. BREWSTER. I said——

Mr. KENNEDY. That he has paid——

Mr. BREWSTER. Wait a minute. I will tell you what I said. I said it will all be paid, every nickel of it will be paid, as soon as the estate comes out of probate.

Mr. KENNEDY. Just to clarify the record, your records show that Mr. John Sweeney owes \$26,435, and that is besides the six thousand-odd dollars that the Western Conference of Teamsters paid for work done in his home.

Mr. BREWSTER. It will be paid.

Senator MUNDT. What size estate, roughly, did he leave? Do you know?

Mr. BREWSTER. They took up a collection for him.

Senator MUNDT. That doesn't sound like a very big estate to me. They took up a collection for him?

Mr. BREWSTER. I know one reporter had that he was worth a million. He wasn't worth any million.

Senator MUNDT. I am just wondering by the size of his estate whether you know what the size of his estate is sufficient to pay.

Mr. BREWSTER. I know that it will be paid for and also that the widow will get some money to live on for about 10 years.

Senator MUNDT. Out of his estate or out of the collection of the truckdrivers?

Mr. BREWSTER. Out of the collection.

Senator MUNDT. Who pays the collection?

Mr. BREWSTER. Individuals, taken up at local unions.

Senator MUNDT. Does my old friend, John C. Truckdriver, have to pay that, too?

Mr. BREWSTER. John C. Truckdriver was taken up at local meetings and he voted on them, those that were present.

Senator MUNDT. It comes out of their dues?

Mr. BREWSTER. He voted to do it.

Senator MUNDT. A majority of those present?

Mr. BREWSTER. The majority don't go to the polls sometimes. The minority—I have seen very much of a small minority that elect Congressmen and Senators. But that is no fault of the people that certainly go to the union to transact the business.

Senator MUNDT. Do you have in your constitution something that stipulates what represents a quorum at a meeting? Let's take a hypothetical case of a union of 600 members. How many members would have to attend the meeting to have a legal meeting with a quorum that would have the right to assess the other members for this collection for Mr. Sweeney, for example?

Mr. BREWSTER. It is very, very small. I don't think it is figured on a percentage of the membership at all. We have tried to bring members into the union. We have tried raffles, we have tried to raffle off turkeys, we have tried everything that we possible could.

We fined them, and time and time again we had them appear before the board, and we saw the fine went through. When Taft-Hartley went through, what could we do about fining them? They would say, "Well, we won't pay it," so they would keep on working. A fine did work. A fine brought people into the meetings, believe me.

Senator MUNDT. You mean you would fine them if they didn't come?

Mr. BREWSTER. That is right, from \$1 to \$2 a meeting. That brought them in, but that has gone out the window. If you come up with some solution that we get the membership in the meetings, I will welcome it. I like big attendance.

Senator MUNDT. You keep on increasing their dues, and they will start coming in, I believe, eventually.

Mr. BREWSTER. When their wage scales are up, believe me they are there.

Senator MUNDT. And I imagine if the tariff on the dues keeps going up they will be there.

Mr. BREWSTER. When their contracts expire and they are negotiating contracts we don't have trouble getting a majority.

Senator MUNDT. Then as I understand it, the estate of Mr. Sweeney is not sufficiently large to pay back to the teamsters what he owes, but that the local unions have passed a resolution that they are going to collect money from their members and turn it in to the Sweeney estate so that they will pay this bill and also take care of the widow of Mr. Sweeney?

Mr. BREWSTER. They have already done that. In addition to that, they have lots of individuals—all of the money, the individuals themselves, the members, and secretaries, business agents, contributed personally quite a considerable amount of money.

The CHAIRMAN. Let me ask you one question.

Mr. Brewster, as I understand, to make up this deficiency in Mr. Sweeney's estate, your local unions are making an assessment against the members, is that correct?

Mr. BREWSTER. There have been donations voted from unions, taken up at their meetings, to donate money.

The CHAIRMAN. Is that voted by the rank and file?

Mr. BREWSTER. Yes, sir, by the rank and file.

The CHAIRMAN. In other words, they vote to take it out of their treasury?

Mr. BREWSTER. That is true.

The CHAIRMAN. To make up the deficiency in the teamsters union treasury that would result from losses on Mr. Sweeney's estate and obligations?

Mr. BREWSTER. No, I think the main objective was to probably see that his widow, and so forth, won't be in want. Sweeney gave his whole life, in my opinion, to labor. He died as a young man, and the pace that he set—I think that labor and those people that knew him personally realize it.

The CHAIRMAN. Let's reverse the order now. Let a man die that has been a member of the union for 30 years, and worked hard driving a truck, and so forth. What action do you take to take care of his widow?

Mr. BREWSTER. We have done that many, many times in our local unions, helped those that needed some help.

The CHAIRMAN. You have a special fund for that, don't you?

Mr. BREWSTER. Yes, sir; we have used the special fund.

The CHAIRMAN. You collect dues for that purpose, don't you?

Mr. BREWSTER. Not only that, we have——

The CHAIRMAN. Just a moment. You collect dues for that purpose?

Mr. BREWSTER. Yes.

The CHAIRMAN. Do you collect dues to take care of such situations as this? Mr. Sweeney was a member. Doesn't he get his share of any contribution out of those dues without raising special assessments against different locals?

Mr. BREWSTER. Well, I am satisfied that everyone that donated was very pleased to do it.

The CHAIRMAN. They maybe were. I am not saying they were not.

Mr. BREWSTER. I think so.

The CHAIRMAN. Here is what we are confronted with: Poor business management on the part of you and other officials handling union funds, place in jeopardy dues that had been paid in by the membership of the union, and thus, in order to prevent a loss to the treasury of the western conference, these methods now are having to be pursued. That is a correct statement, is it not?

Mr. BREWSTER. I don't know whether it is not not. I couldn't agree with it; no.

The CHAIRMAN. All right. I will not belabor that.

Mr. KENNEDY. How much money have you asked them to raise, Mr. Brewster? How much money are you trying to raise for Mr. Sweeney?

Mr. BREWSTER. How much money are we trying to raise? We have already raised it. It runs pretty close to \$50,000, I think.

Mr. KENNEDY. Fifty thousand dollars?

Mr. BREWSTER. Yes, sir.

Mr. KENNEDY. Do the members understand that it is being paid for, for instance, the carpeting of Mr. Sweeney's home, and some of these things?

Mr. BREWSTER. It will be given to Mrs. Sweeney, and Mrs. Sweeney will pay for any things that she owes, to pay for the mortgage, and so forth.

Mr. KENNEDY. Do the rank and file members of the union know that the union funds were being used in 1954 to pay for the furnishings of Mr. Sweeney's home?

Mr. BREWSTER. No, we didn't send a bulletin out to that effect.

Mr. KENNEDY. They didn't know that?

Mr. BREWSTER. We didn't send it out.

Mr. KENNEDY. Mr. Chairman, I want to straighten out or clarify the record on these expenses.

Mr. BREWSTER. There is a mortgage on this, if you want it, also, on the home. You know that, do you not?

Mr. KENNEDY. Yes.

Mr. BREWSTER. That didn't come out. I just wanted to say it.

Mr. KENNEDY. There was some discussion about the expenses out at the convention in Los Angeles, of the teamster convention out there. We have checked with the AFL and they state that there was no convention in Los Angeles at this period of time, that their convention, the AFL convention in 1952 was in New York City.

Your expenses that you submitted to the international, and I don't believe that went in the record, were \$501.10, and during that same period of time, you received \$750 from joint council 28.

(At this point Senator Goldwater left the hearing.)

Mr. BREWSTER. I did not mean just for that period of time that our convention met. I went down there a couple of weeks ahead of time, and I believe that is what that covers.

Mr. KENNEDY. Do you have any vouchers at all for when you submit these double expenses, expenses for the same period?

Mr. BREWSTER. I don't think they are for the same period.

Mr. KENNEDY. Let me phrase it again. It is expenses for the same period of time to the Western Conference of Teamsters and to the international.

Do you submit any vouchers?

Mr. BREWSTER. That is a voucher you have there.

Mr. KENNEDY. Do you show how you spent the money at all?

Mr. BREWSTER. No, not each item that I spend; no.

The CHAIRMAN. The committee will stand in recess until 10 o'clock in the morning, and resume at that time.

(Present at time of recess: The chairman and Senator Mundt.)

(Whereupon, at 4:40 p. m., the select committee recessed, to reconvene at 10 a. m., Thursday, March 21, 1957.)

INVESTIGATION OF IMPROPER ACTIVITIES IN THE LABOR OR MANAGEMENT FIELD

THURSDAY, MARCH 21, 1957

UNITED STATES SENATE,
SELECT COMMITTEE ON IMPROPER ACTIVITIES
IN THE LABOR OR MANAGEMENT FIELD,
Washington, D. C.

The select committee met at 10 a. m., pursuant to Senate Resolution 74, agreed to January 30, 1957, in the caucus room, Senate Office Building, Senator John L. McClellan (chairman of the select committee) presiding.

Present: Senator John L. McClellan, Democrat, Arkansas; Senator Irving M. Ives, Republican, New York; Senator Pat McNamara, Democrat, Michigan; Senator Karl E. Mundt, Republican, South Dakota; Senator Barry Goldwater, Republican, Arizona.

Also present: Robert F. Kennedy, chief counsel to the select committee; Jerome Adlerman, assistant counsel; Pierre E. G. Salinger, investigator; Alphonse F. Calabrese, investigator; Ruth Young Watt, chief clerk.

(Members present at the convening of the session: The chairman and Senator Goldwater.)

The CHAIRMAN. The committee will be in order.

It will be recalled that yesterday there was an exchange of telegrams between Mr. Dave Beck and the chairman of the committee regarding his attendance as a witness and the production of certain records. The record of yesterday reflects the exchange of telegrams.

I have received from Mr. Beck the following wire which confirms his understanding and his agreement to appear here next Tuesday. I will read this wire into the record.

It is dated yesterday and was received by me this morning:

Answering your wire of this date, you are advised that I will appear before your committee on Tuesday, March 26, with my records, under the provisions of my previous wire to you of this date.

Again, the Chair will state that there were reservations in the wire to which he referred. The Chair stated yesterday that he could not clarify those, and that only Mr. Beck himself could do that. But when he appears next Tuesday, we will undertake to ascertain just what those reservations mean.

All right, Mr. Counsel; you may proceed.

Mr. KENNEDY. Mr. Frank Brewster.

The CHAIRMAN. Will you come forward, Mr. Brewster?

TESTIMONY OF FRANK W. BREWSTER, ACCOMPANIED BY HIS COUNSEL, JERRY N. GRIFFIN AND JOHN K. PICKENS—Resumed

We will proceed, Mr. Counsel.

Mr. KENNEDY. Mr. Brewster, I have here a check to pay to the order of Mr. Harry Apple, Apple, Inc., dated June 11, 1954, on the Western Conference of Teamsters, for \$3,115, signed by Frank Brewster and Gordon Lindsay.

The CHAIRMAN. The clerk will present this check to the witness, and ask him to examine it and identify it.

(Document handed to witness.)

Mr. BREWSTER. This is a check made out on June 11, 1954, to Harry Apple for \$3,115. I believe that is for an automobile purchased for the western conference to be used by organizers of the western conference. I haven't the exact certificate, and I don't know what it is.

The CHAIRMAN. That check may be made exhibit No. 98.

(The document referred to was marked "Exhibit No. 98," for reference, and will be found in the appendix on p. 1464.)

Mr. KENNEDY. Do you know for whom that automobile was purchased?

Mr. BREWSTER. Not unless I look at the records.

The CHAIRMAN. Do you have the records on that? Are those records available?

Mr. BREWSTER. I believe those records are available, of automobiles and certificates of automobiles, because they are licensed and so forth.

Mr. KENNEDY. Would it stipulate in those records for whom this automobile was purchased?

Mr. BREWSTER. I don't know whether it would be written out in the stipulation, but I know very well that whoever is using it, we can run it down and check on it.

Mr. KENNEDY. Could you tell me this: Would there be any protection against the use of union funds to purchase an automobile for private use, for instance?

Mr. BREWSTER. I don't believe we would do that.

Mr. KENNEDY. Do you know Mr. Terry McNulty?

Mr. BREWSTER. Yes, sir.

Mr. KENNEDY. We have traced this automobile and found out that it ended up with Mr. Terry McNulty's girl friend.

Mr. BREWSTER. I don't believe that, and I would have to look at the record for that. I know that we never bought Terry McNulty's girl friend an automobile.

Mr. KENNEDY. Do you know Miss Mary James?

Mr. BREWSTER. Yes, I know her.

Mr. KENNEDY. Do you know she is Terry McNulty's girl friend?

Mr. BREWSTER. I don't know that. I have seen them together and I guess so.

Mr. KENNEDY. Mr. Chairman, we have a witness here that can testify on the details of the purchase of this car and trace it through to Terry McNulty's girl friend, Miss Mary James.

The CHAIRMAN. Let the witness come around.

Mr. GRIFFIN. Mr. Chairman, I would like for the counsel to go into a little more of the background of Mr. Salinger. I know that he was a staff member, but, so the record will be clear, I know nothing

about him. We would just like to know what his background is, and not going back too far.

The CHAIRMAN. We will be very glad to do that for the information of counsel. However, the committee takes full responsibility for the staff that it employs. If we did not think he was competent, we would not have him.

Mr. GRIFFIN. I am sure he is competent, Mr. Chairman. It is just a matter of information for myself.

The CHAIRMAN. We are not carrying any political baggage on this committee staff.

Mr. KENNEDY. Thank you, Mr. Chairman.

TESTIMONY OF PIERRE E. G. SALINGER—Resumed

The CHAIRMAN. Mr. Salinger, for the benefit of counsel and the witness, will you give a little more of your background of experience and training?

Mr. SALINGER. Yes, sir. I started to work for the San Francisco Chronicle in 1942.

The CHAIRMAN. The San Francisco Chronicle?

Mr. SALINGER. Yes, sir. I was employed by the San Francisco Chronicle for a period of 13 years. That is with time out for war service. I served in the United States Navy and was a commanding officer of a submarine chaser. In January of 1955 I became a west-coast editor for Collier's magazine, and I was associated with that magazine in that capacity for a year and a half and then was transferred to New York as a contributing editor of Collier's magazine. For 7 weeks prior to coming to work for this committee, I worked for Time, Inc.

The CHAIRMAN. During that time, did you have any assignments with respect to labor activities?

Mr. SALINGER. I did, sir.

The CHAIRMAN. What was the nature of that assignment?

Mr. SALINGER. In my capacity as contributing editor of Collier's, I was assigned to do a nationwide story on activities of the teamsters' union, and worked on this story for a period of 4½ months.

The CHAIRMAN. That was at the conclusion of your services there?

Mr. SALINGER. That is correct, sir.

The CHAIRMAN. You have been engaged in actively inquiring into these matters for a period of 4½ months before you came with this committee?

Mr. SALINGER. That is correct, sir.

The CHAIRMAN. All right; Mr. Counsel, proceed.

Mr. KENNEDY. Now, Mr. Salinger, one of your duties since you have come with this committee is to trace some of the expenses of the funds of the Western Conference of Teamsters?

Mr. SALINGER. That is correct, sir.

Mr. KENNEDY. Now, in particular, you have attempted to trace the payment of \$3,115 for an automobile from Mr. Apple?

Mr. SALINGER. That is correct.

Mr. KENNEDY. Could you tell the committee what you found in your investigation, and from the investigation of those who worked under you?

Mr. SALINGER. That is right. First of all, in conjunction with the United States General Accounting Office in Los Angeles, we secured from Harry Apple, Inc., the papers relating to the transaction, the sale of an automobile to Mary James, Route 1, Box 333, Bothell, Wash. Now, this jacket of information from Harry Apple, Inc., shows that a check in the amount of \$3,115, written on the Seattle First National Bank, was received by that company on June 17, 1954, in payment of this automobile.

The automobile was registered in the name of Mary James, Route 1, Bothell, Wash., who listed her occupation as a housewife, and she said she was planning to use the car for pleasure. There is a notation in here, a notation from Harry Apple, Inc., to the State department of motor vehicles, which bears this notation:

Terry McNulty was in an accident June 10, 1954, and was unable to make the trip to Los Angeles from Seattle to pick up the car he purchased for his daughter, Mary James.

The CHAIRMAN. For his daughter, Mary James?

And Mary James came in for the car with a letter from her father, asking us to make out bill of sale and trip permit in her name.

Mr. SALINGER. Yes.

Now, I have subsequently interviewed Miss Mary James by telephone, and ascertained that she is not the daughter of Terry McNulty.

Mr. KENNEDY. Did she say she had been a longtime friend of Mr. Terry McNulty?

Mr. SALINGER. She did.

Mr. KENNEDY. When you interviewed her on March 20, you interviewed her by telephone, did you?

Mr. SALINGER. I did, sir.

Mr. KENNEDY. Did you tell her at that time that you were having a stenographer on the telephone?

Mr. SALINGER. I did, sir.

Mr. KENNEDY. Do you have a transcript of that telephone conversation?

Mr. SALINGER. I do.

Mr. KENNEDY. Mr. Chairman, there is a transcript.

The CHAIRMAN. You have it before you?

Mr. KENNEDY. I do, sir.

The CHAIRMAN. All right; you follow as I read it, and correct me if the Chair misreads it.

Mr. SALINGER. Hello; is this Miss James?

Miss JAMES. Yes.

Question. I am with the Senate Select Committee on Labor, in Washington, D. C. Before I talk to you, I have a girl on the line making notes. You were interviewed by a representative of the GAO last night?

Answer. Yes.

Question. Relative to a car you received as a present from Terry McNulty?

Answer. That's right.

Question. Can you tell me when you got that car?

Answer. In June.

Question. June of 1954?

Answer. June of 1954.

Question. Did you go to Los Angeles to pick up the car?

Answer. Yes.

Question. Where did you pick up?

Answer. Harry Apple.

Question. Did Mr. McNulty tell you to pick it up, Miss James?

Answer. Yes.

Question. What did he tell you about the car?

Answer. Well, that the car was down there.

Question. Was it a present from Mr. McNulty?

Answer. That's right.

Question. Did he give any reason for giving you this present?

Answer. No.

Question. Then you went to Los Angeles and you went to the Harry Apple Co.?

Answer. That's right.

Question. Did you give any money for this car?

Answer. No.

Question. Did Mr. McNulty tell you who paid for the car?

Answer. He paid for the car.

Question. Did you have a letter which said you were Mr. McNulty's daughter?

Answer. No; I did not.

Question. Do you know the existence of such a letter?

Answer. No; I don't.

Question. You are not his daughter?

Answer. No.

Question. Are you a friend of his?

Answer. Yes.

Question. Are you employed?

Answer. Not right now.

Question. Were you employed at that time?

Answer. No; I don't think I was.

Question. Were you ever employed by the teamsters?

Answer. No——

Question. How long have you known Mr. McNulty?

Answer. Over 20 years.

Question. He has been a friend over that period of time?

Answer. That's right.

Question. He came and said he was going to give you a car?

Answer. That's right.

Question. Do you remember the conversation? Did he come up and say he wanted to give you a car?

Answer. (Indistinct.)

Question. He just said he wanted to give it to you?

Answer. (Indistinct.)

Question. Has he used the car?

Answer. He may have used it; yes.

Question. Was the car registered in your name?

Answer. Yes; it was.

Question. It was always registered in your name?

Answer. Yes; it was.

Question. Did you eventually sell the car?

Answer. Yes; I did.

Question. Do you remember when? Would it have been sometime last year?

Answer. In 1956.

Question. Do you remember what month?

Answer. January, I think.

Question. Did you turn it in on a new car?

Answer. Yes.

Question. Did you pay for this new car?

Answer. Yes.

Question. Do you remember the value of the turn in?

Answer. No; I don't.

Question. Is there anything else about this transaction which I should know about?

Answer. No; he told me he paid for the car.

Question. You had no reason to believe he had not paid for the car?

Answer. No; I knew he did.

Question. As far as you know he paid for the car?

Answer. Yes; he did.

Have I read it correctly, Mr. Witness?

Mr. SALINGER. You have, sir.

Mr. KENNEDY. Now, since that time you have talked to Miss Mary James again, and also tried to get hold of Mr. Terry McNulty, have you not?

Mr. SALINGER. Yes, sir.

Mr. KENNEDY. And you made arrangements for Mr. Terry McNulty to be interviewed?

Mr. SALINGER. I did, sir.

Mr. KENNEDY. Now, has Miss Mary James changed her story somewhat from what she told you originally in this interview?

Mr. SALINGER. She has, sir.

Mr. KENNEDY. What does she say now?

Mr. SALINGER. I interviewed Miss James on the telephone yesterday afternoon again, and at that time she told me that she had withdrawn \$1,300 from 2 bank accounts and given it in cash to Mr. McNulty to help him pay for the car, and she produced the bank accounts, \$1,300 and \$500, a total of \$1,800 and she told me that she had produced her bank accounts and she did turn those bank accounts over to our investigator in Seattle who examined them and found that such withdrawals had been made from her account in June of 1954.

Mr. KENNEDY. And then she said she turned this money over to Mr. Terry McNulty?

Mr. SALINGER. In cash.

Mr. KENNEDY. Now, was Mr. Terry McNulty interviewed then?

Mr. SALINGER. He was, sir.

Mr. KENNEDY. What did he say, as his explanation?

Mr. SALINGER. He said that Miss James had given him the money, and that he had made up the difference in the price of the car, between \$1,800 and the \$3,115, and that he had turned over this entire amount in cash to Mr. Gordon Lindsay who was then secretary-treasurer of the Western Conference of Teamsters.

He said he heard from Mr. Lindsay that Mr. Matulla, in Los Angeles, who is an official of the teamsters, could get him a good deal on a car there.

Mr. KENNEDY. Did you then find out what had happened to Mr. Gordon Lindsay?

Mr. SALINGER. He is deceased.

Mr. KENNEDY. He is deceased?

Mr. SALINGER. Yes, sir.

Mr. KENNEDY. Mr. Chairman, I would like to ask Mr. Bellino, who has made a study of the records, several questions on this matter.

The CHAIRMAN. Are there any further questions of this witness?

Mr. KENNEDY. We might have some further questions.

TESTIMONY OF CARMINE S. BELLINO—Resumed

The CHAIRMAN. You have been previously sworn?

Mr. BELLINO. Yes, sir.

Mr. KENNEDY. You have examined the transaction for the withdrawal of this \$3,115, Mr. Bellino?

Mr. BELLINO. Yes, sir.

Mr. KENNEDY. You have examined the books of the western conference; is that right?

Mr. BELLINO. Yes, sir.

Mr. KENNEDY. Now, this \$3,100, roughly, was withdrawn and given to the Apple Co.?

Mr. BELLINO. Yes, sir, and it was charged to "Cars and transportation expense."

Mr. KENNEDY. Now, is there any item on the books or in the records of the Western Conference of Teamsters that indicates that this money was repaid to the Western Conference of Teamsters?

Mr. BELLINO. There is no record of any receipt on the records of the Western Conference of Teamsters during that period of time of that nature.

The CHAIRMAN. Are there any questions?

All right, Mr. Brewster, you have heard the testimony. Do you have any explanation of it?

TESTIMONY OF FRANK W. BREWSTER, ACCOMPANIED BY HIS COUNSEL, JERRY N. GRIFFIN AND JOHN K. PICKENS—Resumed

Mr. BREWSTER. I do not. The transaction was made with Gordon Lindsay, and I certainly do not know anything about it. This is certainly all news to me.

The CHAIRMAN. That is a pretty loose business transaction, is it not, with union money?

Mr. BREWSTER. Well, I can't help but think that someplace there, there is some record of it, if that happened with Gordon Lindsay, because I felt that he was a man of high integrity, and I can't understand it myself.

The CHAIRMAN. All right; proceed.

Mr. KENNEDY. Tell me this: Would he do something like this without your knowledge, Mr. Brewster?

Mr. BREWSTER. I don't know what you mean by "something like this." Would somebody make a transaction—is that what you mean?

Mr. KENNEDY. Such as this transaction that has been described. Would he do this without your knowledge?

Mr. BREWSTER. He could have; yes.

Mr. KENNEDY. And purchase a car or make arrangements for the purchase of a car with western conference funds for Terry McNulty's girl friend, without your knowledge?

Mr. BREWSTER. Well, if he was repaid, he probably would.

Mr. KENNEDY. Now, the records show that he was not repaid, or the Western Conference of Teamsters was not repaid.

Mr. BREWSTER. I would like to be able to have the records examined by a disinterested party to find out if that is absolutely true, myself.

The CHAIRMAN. Well, Mr. Brewster, you signed the check, did you not?

Mr. BREWSTER. I signed checks in blank.

The CHAIRMAN. That is a bad practice, too, is it not?

Mr. BREWSTER. I know it is, and I believe I explained that I am going to try and change that system of signing checks in blank. I am not signing them in blank now.

The CHAIRMAN. All right. That is one improvement that we can note.

Proceed.

Senator McNAMARA. Are you going to start another line of questioning? I would like to ask some questions at this point.

I would like to ask the witness this question: You have indicated in your testimony that you have approximately 246 locals in the western conference. About how many members does that represent?

Mr. BREWSTER. Approximately 375,000.

Senator McNAMARA. 375,000 members?

Mr. BREWSTER. Yes, sir.

Senator McNAMARA. What is the per capita tax paid per member to the Western Conference of Teamsters?

Mr. BREWSTER. Twenty cents.

Senator McNAMARA. Twenty cents per month, or per quarter?

Mr. BREWSTER. Per month.

Senator McNAMARA. Twenty cents per month?

Mr. BREWSTER. Yes.

Senator McNAMARA. That would be a total, then of \$75,000 a month?

Mr. BREWSTER. That is about right.

Senator McNAMARA. How many paid employees, including the officers, do you have in the western conference?

Mr. BREWSTER. I am just guessing, and I don't know exactly, but there is in excess of 20. It is probably about 25.

Senator McNAMARA. About 25?

Mr. BREWSTER. Yes, sir.

Senator McNAMARA. With a payroll of about how much per month? Do you have an idea?

Mr. BREWSTER. It will probably average around \$800 or \$900 a month.

Senator McNAMARA. For 25 employees?

Mr. BREWSTER. For each employee, and I am talking about the average.

Senator McNAMARA. Of course, this line of questioning was for the purpose of trying to establish how so much money as you have given testimony for was available for these various things. I think with 375,000 members, it makes a little more sense.

You have indicated in your testimony \$100,000 for stocks, \$100,000 for political contributions, \$80,000 for 1952 convention expense, \$35,000 invested in apartment houses and such, or an apartment house, and many miscellaneous things such as the car and other things.

You have car expense for all of these 25 employees, I suppose?

Mr. BREWSTER. We do; yes, sir.

Senator McNAMARA. So it winds up with a staggering amount. I am surprised that it is 20 cents per member, because ordinarily for State bodies or district bodies such as this, 20 cents is rather a high per capita tax. But for the service that you are performing, I suppose with 25 employees, it kind of adds up, and it has to be in that neighborhood.

I was trying to make some sense out of these tremendous sums that we have uncovered here by way of these activities.

The CHAIRMAN. I believe, Senator, according to the information that you have elicited from the witness, granting that the employees receive a salary of an average of \$900 per month, 25 employees, the salaries on that basis, if that is the average, would be \$22,000 per

month, or \$264,000 for a year, which would mean salaries out of \$900,000 a year per capita tax collected.

I believe that is an accurate calculation.

Senator McNAMARA. You do not have any other income except from this 20 cents per capita, as far as the western conference is concerned? You do not get money from any other source?

Mr. BREWSTER. No; it is just per capita tax.

Senator McNAMARA. All of this is done on per capita tax?

Mr. BREWSTER. That is right, voted at the conference by the delegates and officers.

Senator McNAMARA. You have indicated previously that voluntary funds donated by members go into separate funds, and they do not go through the western conference. That is funds for political activities?

Mr. BREWSTER. That is right.

Senator McNAMARA. This is all out of dues per capita money that comes from dues money?

Mr. BREWSTER. That is right.

Senator McNAMARA. Thank you, Mr. Chairman.

The CHAIRMAN. Let me ask Mr. Bellino a question.

TESTIMONY OF CARMINE S. BELLINO—Resumed

The CHAIRMAN. Mr. Bellino, have you the records showing the salaries paid by the western conference for 1 year?

Mr. BELLINO. Yes, sir. We have them for several years, but I have added quickly just 1 year; that is the year 1955.

The CHAIRMAN. For 1955?

Mr. BELLINO. Yes, sir.

The CHAIRMAN. What salaries total were paid by the western conference in 1955?

Mr. BELLINO. \$133,652.

The CHAIRMAN. \$133,652?

Mr. BELLINO. Yes, sir.

The CHAIRMAN. Well, then, the average salary, then, is only about half of \$900 per month. At \$900 per month the total would be \$264,000 in salaries per annum, and according to the actual records of the western conference they only paid \$133,000 in salaries.

Mr. BELLINO. Yes, the largest salary was to Mr. Brewster for \$26,500, and then Mr. Sweeney, \$17,225.

The CHAIRMAN. All right.

Senator GOLDWATER. Mr. Brewster, how many years have you been collecting this 20-cent tax?

TESTIMONY OF FRANK W. BREWSTER, ACCOMPANIED BY HIS COUNSEL, JERRY N. GRIFFIN AND JOHN K. PICKENS—Resumed

Mr. BREWSTER. I am not quite sure, but I think it is about 1953. It was lower than that, and it was increased in 1953.

Senator GOLDWATER. You have had surpluses consistently in your treasury throughout the years, have you not?

Mr. BREWSTER. Yes, we have.

Senator GOLDWATER. What are the assets of the western conference now, the total assets?

Mr. BREWSTER. I do not know. Roughly speaking, I would say they were close to \$1 million.

Senator GOLDWATER. Close to \$1 million, and they are not higher than that?

Mr. BREWSTER. I don't think so. I think around that.

Senator GOLDWATER. Well, since 1952, that is 4 years, and you had a surplus even accepting the chairman's figures of salaries and adding to the normal expenses, I would say you would have a surplus in the neighborhood of \$300,000 to \$400,000 a year.

Mr. BREWSTER. That isn't the only expense, Senator.

Senator GOLDWATER. I know, but I am adding up the other expenses that you have.

Mr. BREWSTER. The other expenses that we give to local unions for organizing and so forth. I think if you make a thorough check of it, you will find that we spent for organizational purposes some money. Where we have right-to-work laws and so forth, we spend money for that purpose.

Senator GOLDWATER. What portion of the 20 cents is used to operate the union, to cover all of the expenses?

Mr. BREWSTER. I have never figured it. I don't know.

Senator GOLDWATER. You only have assets of \$1 million out of this sum?

Mr. BREWSTER. I think roughly speaking that is about it.

The CHAIRMAN. According to your financial report of December 31, 1955, you show total assets of the western conference of \$1,069,474. That is about correct, is it not?

Mr. BREWSTER. Yes, sir; and I didn't miss it far.

TESTIMONY OF PIERRE E. G. SALINGER—Resumed

Mr. KENNEDY. Mr. Salinger, in the interview with Mr. Terry McNulty, was he also asked about the trips that he made down to the El Rancho Motel?

Mr. SALINGER. He was, sir.

Mr. KENNEDY. Now, according to Mr. Brewster's testimony the other day on pages 2366 and 2367, there was a discussion about the fact that Mr. Terry McNulty would stay at the El Rancho Motel because it was near the highway, and there could be organizational work done there.

Mr. SALINGER. That is right.

Mr. KENNEDY. Do you remember that?

Mr. SALINGER. Yes, sir.

Mr. KENNEDY. Was Mr. Terry McNulty asked whether he did any organizational work when he was in California?

Mr. SALINGER. He was, sir, and he has prepared an affidavit which covers that point. I have received a telegram from Seattle, Wash., informing me what that section will say when the affidavit reaches us, and it is on its way to us now.

The CHAIRMAN. What do you have? The Chair did not quite understand you.

Mr. SALINGER. I have a telegram from the United States General Accounting Office in Seattle giving me a transcript of the affidavits of Terry McNulty which are on the way to us now, notarized and signed.

The CHAIRMAN. It may be read for the purpose of a basis of questioning Mr. Brewster, but I will not consider it as evidence. It is just as a basis for questioning. When the affidavit arrives, the affidavit, after examination by the Chair and other members of the committee, may be ordered inserted in the record, but for the present, what you shall read there shall just be a basis of information, and be information upon which to base questions.

Mr. GRIFFIN. Mr. Chairman, I think it would be well to know whether Mr. Salinger has the entire affidavit, or whether he is just going to read something out of context.

I remember the other day that we were going to get an affidavit from Mr. Bassett, and I haven't heard any more about it.

The CHAIRMAN. From whom?

Mr. GRIFFIN. Mr. Bassett. That was the Portland incident.

The CHAIRMAN. Has that affidavit arrived?

Mr. KENNEDY. No; and I believe I was mistaken. I thought he had filed an affidavit, but I think the statement that I made as to the statement that he had said was correct, and we can get the affidavit. I haven't heard that he has changed it at all.

Mr. GRIFFIN. I just hope Mr. Salinger is not mistaken again.

The CHAIRMAN. Well, the Chair has said that it may be read for information for a basis of questioning, and not as evidence. The affidavit, when it is received, will be examined by the Chair and members of the committee, and if found proper, it will be ordered made a part of the record.

Mr. KENNEDY. Could I ask, was there any statement that I made about what Mr. Bassett had said that was incorrect?

Mr. GRIFFIN. No. As I recall, you just said that you understood that an affidavit had been prepared and would be furnished later.

Mr. KENNEDY. But was there anything I said about what was contained in the affidavit, or the statement of Mr. Bassett, that was incorrect?

Mr. GRIFFIN. Actually, I don't recall, and I wouldn't say you did because I don't know. But I am just doing this out of an abundance of caution, Mr. Chairman.

The CHAIRMAN. Yes, sir. All right. The Chair has, I think, ruled properly that it may be stated as information for a basis of questioning, and not as evidence at this time.

Proceed.

Mr. SALINGER (reading) :

I have never engaged in any activity as an organizer or in any other capacity for the teamsters union in California except to attend two conferences in Los Angeles as a delegate, one in 1952 and the other about 2 years ago. I have made quite a few trips to drive a truck hauling horses to various racetracks in California for Needmore Stables and Breel Stables.

I do not remember the dates of any trips, but I recall they were always near the beginning or the end of the racing season. At various times I hauled horses for Needmore Stables or Breel Stables to racetracks at Santa Anita, Bay Meadows, Golden Gate Fields, Tanforan, and Hollywood Park, all in California.

The CHAIRMAN. Now, Mr. Brewster, let the Chair ask you this question: If Mr. McNulty submits a sworn statement to that effect,

and an affidavit with that language in it, and that statement in it, would you say that his statement is incorrect?

TESTIMONY OF FRANK W. BREWSTER, ACCOMPANIED BY HIS COUNSEL, JERRY N. GRIFFIN AND JOHN K. PICKENS—Resumed

Mr. BREWSTER. I have given him from time to time instructions to check certain trucks on his trips. Now, if he gave that affidavit and he didn't do these things, why I would say his affidavit would be correct.

The CHAIRMAN. Don't you check up on these things? Do you hire people and see that they do their work?

Mr. BREWSTER. Well, checking and to keep checking on these people to see that they do their work—

The CHAIRMAN. Yes, where you personally hire them and give them instructions?

Mr. BREWSTER. Well, I personally hire quite a few, and I don't have them make out a slip of what they do or anything like that. Probably I should. I probably will go into that to see that they are checked.

The CHAIRMAN. It would be very helpful to us now, and probably to you.

Mr. BREWSTER. The next time I am called in here I will have all of the data that you want, I'll assure you.

The CHAIRMAN. Thank you. Proceed.

Mr. KENNEDY. Do you have another part?

TESTIMONY OF PIERRE E. G. SALINGER—Resumed

Mr. SALINGER.

Frank Brewster or John J. Sweeney would always give me money for my expenses either before or after the trip. These payments to me were always in cash, except for possibly one or two checks. If I received any checks, I do not positively remember them or their identity.

Mr. KENNEDY. Would you give the telegram to Mr. Griffin, please? (A telegram was handed to Mr. Griffin.)

Mr. KENNEDY. Mr. Chairman, was there any question on the telegram?

Mr. BREWSTER. I have no questions.

Mr. KENNEDY. We have some documents that we mentioned the other day from the Standard Service Tire Co. that I said we would be able to get hold of regarding the truck, and the horse van, putting the wheels on, and dismounting the wheels on the horse van for \$62.32. It was paid by the Western Conference of Teamsters.

Here are other bills that came out of the Western Conference of Teamsters that mention about the horse truck.

The CHAIRMAN. The witness may examine these two photostatic documents and state whether those expenses incurred there were for your personal business, the horseracing business, or if it was for the teamsters.

(The documents were handed to the witness.)

Mr. BREWSTER. I don't recall these bills.

The CHAIRMAN. The bill was rendered to the Western Conference of Teamsters, was it not?

Mr. BREWSTER. Yes, and it says, "care of Frank Brewster."

The CHAIRMAN. "Care of Frank Brewster"?

Mr. BREWSTER. Yes.

The CHAIRMAN. Who paid that bill, the teamsters, the Western Conference of Teamsters?

Mr. BREWSTER. I don't know.

The CHAIRMAN. How do you know again, how you are going to find out how much you owe the teamsters for personal bills paid for you?

Mr. BREWSTER. I think I possibly can, and this other one, I notice, the other is just a notation. The other isn't a check or anything.

The CHAIRMAN. Maybe this will help you some. Here is another bill on which it shows that the bill was paid by the Western Conference of Teamsters.

That document that you have just identified, those two may be made exhibit No. 99-A and 99-B.

(The documents referred to were marked "Exhibit No. 99-A and 99-B" for reference, and will be found in the appendix on pp. 1465-1466.)

The CHAIRMAN. The Chair presents to you another statement, an itemized statement, made out to the Western Conference of Teamsters by the Standard Service Tire Co., Inc., dated October 31, 1954. I will ask you to look at October 25, 1954, invoice item No. 70,557, in the amount of \$62.32. I ask you if that is not the same item that the bills before you now represent.

(Documents handed to witness.)

(The witness conferred with his counsel.)

The CHAIRMAN. And I will ask you if it was not paid by the Western Conference of Teamsters when it paid the rest of the bill submitted to it.

(The witness conferred with his counsel.)

Mr. BREWSTER. It looks like the same, Mr. Chairman.

The CHAIRMAN. All right.

That may be made exhibit No. 100.

(The document referred to was marked "Exhibit No. 100," for reference, and will be found in the appendix on pp. 1467-1472.)

The CHAIRMAN. That bill was paid by the Western Conference of Teamsters, was it not?

Mr. BREWSTER. It looks like it was.

The CHAIRMAN. Here is a check, I believe, which might help you. Will you examine this check, dated November 15, 1954; check No. 8711, by the Western Conference of Teamsters, will you examine that, please, and identify it.

(Document handed to witness.)

(The witness conferred with his counsel.)

The CHAIRMAN. The other bill has been made exhibit No. 100. The check being identified will be made exhibit No. 101.

(The document referred to was marked "Exhibit No. 101," for reference and will be found in appendix on p. 1473.)

Mr. BREWSTER. It corresponds.

The CHAIRMAN. So it does appear from the record that these bills for your personal services were being rendered to the western conference and being paid out of the funds of the Western Conference of Teamsters, does it not?

Mr. BREWSTER. The records show that, Mr. Chairman.

The CHAIRMAN. Yes. Thank you.

Mr. KENNEDY. Mr. Chairman, could we have the records that we talked about regarding Apple Co., the purchase of the automobile, made a part of the record?

The CHAIRMAN. They were made a part, I believe, as we went along.

Mr. KENNEDY. Just the check. How about these other records?

The CHAIRMAN. Let me ask the witness for clarification.

The records you read from with respect to the automobile transaction were Terry McNulty and Mary James—what auto company?

Mr. SALINGER. Harry Apple, Inc.

The CHAIRMAN. Harry Apple, Inc. What records were you reading from?

Mr. SALINGER. I was reading from the actual records of Harry Apple, Inc., which were provided to us.

The CHAIRMAN. In other words, you got those records from Harry Apple, Inc.?

Mr. SALINGER. That is correct, sir.

The CHAIRMAN. It is their records or their copy of their records?

Mr. SALINGER. These are the original records.

The CHAIRMAN. That file of records may be exhibit No. 102.

(The documents referred to were marked "Exhibit No. 102," for reference and will be found in the appendix on p. 1474.)

Mr. KENNEDY. Mr. Terry McNulty was the gentleman who on occasion drove Mr. Brewster's horse van?

Mr. SALINGER. Yes, sir.

Mr. KENNEDY. Mr. Chairman, also on matters that were brought up yesterday regarding the sale of John J. Sweeney's home, and the work that was done by Dimny Lee Walton in his new home in Seattle, the question was raised by Mr. Brewster that possibly Mr. Sweeney had lost money on the sale of his home in Portland, and this was to compensate him for that.

We have some information on that which I would like to read into the record.

The CHAIRMAN. What is it?

Mr. KENNEDY. This is a memorandum. We had our investigator check on that in Portland, Oreg., on the purchase of the home in Portland and then the sale of the home in Portland. We have the information that he has uncovered.

The CHAIRMAN. You may read it not as evidence but for the purpose of forming a basis for further questioning of the witness.

Mr. KENNEDY. Deed Book No. 1597, page 310, Multnomah County Court House, Portland, shows that John J. Sweeney and Anna M. Sweeney purchased a house on April 20, 1953, including a lot, at 3935 Southeast Henry Street, Portland, from a contractor at the price of \$19,500, \$6,000 cash and \$13,500 mortgage.

Deed Book 1699, page 384, Multnomah County Court House, reflects that John J. Sweeney and Anna M. sold the property by deed on December 22, 1954. The price of the sale was \$6,500 cash and assumption of the balance of the mortgage, \$12,737.05, or a total of \$19,237.

The person who bought the home is Norman O. and Dorothy M. Nielson, who, according to the Portland city directory, is State commissioner of labor in Oregon.

Mr. Sweeney lived in the house for, I believe, about a year and a half or 14 months, and what it cost him was approximately \$265, Mr. Chairman.

The CHAIRMAN. The Chair was engaged for a moment.

Mr. Counsel, according to this statement, the information you have, this information is not evidence now but according to the information we have at present, after living in the house—how long?

Mr. KENNEDY. April 1953 to December 1954.

Mr. CHAIRMAN. From April 1953 to December 1954—

Mr. KENNEDY. It is about 20 months.

The CHAIRMAN. Mr. Sweeney took a loss of only \$235.

Mr. Brewster, your testimony yesterday was an explanation of the purchase of some \$6,660 worth of personal property, furnishings, work on Mr. Sweeney's home in Seattle—your explanation was that the teamsters' conference was making these payments and advances with the idea of making up the difference in any loss that Mr. Sweeney might sustain in the sale of his home and moving from Portland, I believe, to Seattle.

Mr. BREWSTER. Yes, that is right.

The CHAIRMAN. If the information this committee has is correct, would you want to change your explanation?

Mr. BREWSTER. I do not want to change by explanation, because I don't think the committee has gone far enough. Anyone that knows that buys a new house with just a lot of sand and gravel around the outside, there is a big job to put in lawns, shrubs, and so forth.

The CHAIRMAN. You think there may have been other expenses?

Mr. BREWSTER. In furnishing wall to wall carpet, drapes, et cetera, and also I believe that there was other rooms that were furnished and completed. It was explained to me that the house wasn't quite finished. I don't know the exact amount, but that isn't a complete picture of the sale.

The CHAIRMAN. The Chair has said that this would not be received as evidence, but as a basis for further interrogation of you.

Mr. BREWSTER. I am glad to get that information, but I think we have it.

The CHAIRMAN. All right.

Mr. KENNEDY. Just on that, do you have the bills that he furnished to show what the wall to wall carpeting cost down there?

Mr. BREWSTER. I haven't them myself, but I believe that they are in the office there somewhere.

Mr. KENNEDY. Do you have the documentation?

Mr. BREWSTER. I am not sure. I haven't the documentation.

Mr. KENNEDY. Have you ever seen the documentation?

Mr. BREWSTER. No, I haven't seen the documentation.

Mr. KENNEDY. Who would have it?

Mr. BREWSTER. Probably Mrs. Sweeney would have it and she would probably have it in our office, or it would probably be presented to us somewhere. The bookkeeper might have it or something like that. I am not positive whether he has or not. But I know this, that whatever information there is, we will have all of that before we straighten up the account.

Mr. KENNEDY. As I understood the record yesterday, you gave or allowed Mr. Sweeney to charge these expenses to the Western Con-

ference of Teamsters on his new house because of the charges on his old house or what he lost on his old house. Therefore, you must have had some records as to what the losses were. I am trying to find out where that documentation is on those losses.

Mr. BREWSTER. That figure was going to be straightened up at the time they moved in and their house was finished.

Mr. KENNEDY. That is how long ago? A little over 2 years ago?

Mr. BREWSTER. No, it isn't.

Mr. BREWSTER. Well, he transferred in 1954.

Mr. BREWSTER. Well, yes, I guess it is.

Mr. KENNEDY. Almost 3 years ago. Do you have that straightened out yet?

Mr. BREWSTER. No, sir.

Mr. KENNEDY. And you have no documentation on it?

Mr. BREWSTER. I do not know. I don't keep those books myself. I am not the bookkeeper.

Mr. KENNEDY. It was your explanation, Mr. Brewster, not mine.

Mr. BREWSTER. Yes, I know it was mine, but mine is a verbal explanation I got from somebody else.

Mr. KENNEDY. Who did you get it from?

Mr. BREWSTER. I got it from John Sweeney while he was living.

Mr. KENNEDY. Who produced the documentation so that you went ahead and allowed this \$6,000 to be paid?

Mr. BREWSTER. This was not something that we paid for exactly the difference. The difference was going to be made up. If there was more money there, we had a mortgage on the place that he bought in Seattle, a direct mortgage. It looks like it was just putting up money and we didn't have anything to show for it.

Wait a minute. I said yesterday, and I repeat it today, or at least I think I said this, that any difference between the \$6,600 and what he lost and what was put into the house in Portland would be taken out of the estate as soon as it was out of probate.

Mr. KENNEDY. Why was not this listed in the books in that manner, Mr. Brewster, as a loan, for instance, to Mr. Sweeney?

Mr. BREWSTER. Well, I considered that there was ample coverage for the amount.

Mr. KENNEDY. Only you and Mr. Sweeney would know about it. Anybody looking at the books would never know about it.

Mr. BREWSTER. Well, I am not so sure about that.

The policy committee, I know, knew it.

Mr. KENNEDY. There is nothing in the minutes to show that anyone knew about it.

Mr. BREWSTER. Well, I haven't had a chance to look over the minutes, but I think I can get an affidavit from every member of the policy committee that it was discussed and action was taken.

Mr. KENNEDY. I am sure you probably could.

Mr. BREWSTER. What was that?

Mr. KENNEDY. I would like to go on, Mr. Brewster, and ask you about the matter that you were mentioning to Senator Goldwater.

Again, without questioning the right of the teamsters or any labor organization or any organization to fight legislation which they feel is unfair, on the question of this right-to-work bill, what was the amount of money that the teamsters spent on the right-to-work bill in Washington?

(The witness conferred with his counsel.)

Mr. BREWSTER. Where?

Mr. KENNEDY. In Washington, in the State of Washington.

Mr. BREWSTER. I haven't all of the figures compiled yet.

Mr. KENNEDY. Approximately how much was spent?

Mr. BREWSTER. Probably half a million.

Mr. KENNEDY. About \$500,000?

Mr. BREWSTER. I would say roughly.

Mr. KENNEDY. Was this an organization that you people, the teamsters, established on this right-to-work bill? Did you establish an organization to try to defeat the right-to-work bill?

Mr. BREWSTER. Yes, we did.

Mr. KENNEDY. Did you encourage others to donate, encourage other labor unions to join with you in defeating the right-to-work bill?

Mr. BREWSTER. Outside of our own group?

Mr. KENNEDY. Yes.

Mr. BREWSTER. No, sir.

Mr. KENNEDY. Could you tell the committee why that was, why you wanted to handle it yourselves?

Mr. BREWSTER. Because we felt that anybody that did anything, any other labor organization, would do it in their own manner, and whatever they desired to do they had the perfect right to do it. This was one issue that I don't think that duplication hurt anything. In other words, if they got signboards, billboards, publicity in the paper, ads, et cetera, we couldn't see any reason that we should probably get into a position where we would either have anything to do with what any other organization did. That was their own private business.

Mr. KENNEDY. When other labor organizations, for instance, attempted to donate money to your organization that you had set up to defeat the right-to-work, did you send that money back?

Mr. BREWSTER. They never sent any.

Mr. KENNEDY. They never sent any? No one ever sent any?

Mr. BREWSTER. I have no recollection, and I don't believe it ever happened. It was our policy that that campaign, as far as we were concerned, was put on by ourselves, and we did not solicit or did not accept contributions from any other labor organizations.

Mr. KENNEDY. Did you explain to your policy committee and others that the reason you did not want any other help from any other labor organizations was that you wanted the teamsters to get full credit for it in the State of Washington?

Mr. BREWSTER. No. I wanted the worker to get full credit for it.

Mr. KENNEDY. That is what I would think. But did you ever explain that you wanted the teamsters to get credit?

Mr. BREWSTER. I don't go around and take credit for anything. I don't go around and brag about anything that was done. The credit don't make any difference. The job that was to be done was our paramount issue.

Mr. KENNEDY. Did you ever say to any of these people that you did not want any help from any other labor organizations?

Mr. BREWSTER. I never said anything to anybody at all.

Mr. KENNEDY. Did you ever give instructions to send checks back to other labor organizations that tried to help?

Mr. BREWSTER. I don't know whether there were any checks sent. How can I say that I gave orders to send them back? Have you got records that any checks were sent?

Mr. KENNEDY. Mr. Chairman, we have a witness who can give us some information.

Mr. Sylvester, are you here?

Mr. Sylvester?

Mr. Sylvester is missing.

The CHAIRMAN. All right, proceed.

Senator GOLDWATER. Mr. Brewster, do you recall if your organization was active in the field of anti-right-to-work in Montana a few years ago?

Mr. BREWSTER. Yes, I think we were active in there.

Senator GOLDWATER. How much did you spend over there? Do you know?

Mr. BREWSTER. I don't know. I haven't any idea. It wasn't very much, I don't think.

Senator GOLDWATER. Were you in the State of Nevada this last year?

Mr. BREWSTER. Yes, we were.

Senator GOLDWATER. Do you remember how much you spent down there?

Mr. BREWSTER. I don't know until I look at the record, but I think it is probably about \$40,000.

Senator GOLDWATER. About \$40,000?

Mr. BREWSTER. Yes, sir.

Senator GOLDWATER. When you were deciding on what candidates to support at the Federal level with the voluntary money that was used for that purpose, or other sums or funds, was their stand first known on 14 (b) of the Taft-Hartley before those donations were made?

Mr. BREWSTER. We didn't make donations to Federal officers.

Senator GOLDWATER. The Western Conference did not?

Mr. BREWSTER. No, sir.

Senator GOLDWATER. Just to governors and State officials?

Mr. BREWSTER. Just on the State level. I think if they have the minutes here, it will show that I even made that as a talk in the policy committee and before it, that we did not and would not contribute, and we told every local union not to contribute to Federal candidates.

Senator GOLDWATER. In your educational efforts, when you went out to educate the people on behalf of a candidate for Federal office at any level, was their position known on the repeal of 14 (b) of the Taft-Hartley before you made that educational effort?

Mr. BREWSTER. Well, we didn't—the only educational effort that we made was made in the way of our publications and we probably put pamphlets out to that effect, to tell our members the record of individuals running, yes.

Senator GOLDWATER. Let me ask it another way. Would you attempt to educate the people on behalf of the candidate who was for the retention of 14 (b)?

Mr. BREWSTER. Well, I never took that into consideration, Senator Goldwater, too much, the retention or the rejection. I know that we

have Taft-Hartley, and we do the best we can with what we have got.

Senator GOLDWATER. You did not determine, then, before making any gesture toward a candidate, how he stood on the repeal of 14 (b)?

Mr. BREWSTER. No, I don't believe I ever discussed it.

Senator GOLDWATER. Did your Conference, or those on it?

Mr. BREWSTER. I don't remember them discussing the bill.

Senator McNAMARA. Mr. Chairman?

The CHAIRMAN. Senator McNamara.

Senator McNAMARA. Before the counsel continues, I have before me a photostatic copy of the return of the Western Conference of Teamsters, indicating a return on Form 990 as required by the Internal Revenue Service for tax exempt organizations. I want to state that it was made out by Mr. John Sweeney, who is now deceased.

In reply to the questions that I asked you regarding the income of your organization, you showed it in round numbers, a justification for an income of around \$900,000 a year. On line two of this form, you indicate—I say you, and I mean your organization—that from dues, assessments, and so forth, from affiliated organizations, your income was \$988,204.07, which is about in line with the answer you gave me.

However, on line 3, you show an income of \$502,815.60 in addition to what the 20 cents per capita would bring you. This is more than a half million dollars. Have you any way to account for that additional amount, which would amount to 10 cents per member, really?

Mr. BREWSTER. Would that be strike benefits or pensions?

Senator McNAMARA. I do not know. It is listed as contributions.

Mr. BREWSTER. I think it is strike benefits, Senator, because we have a fund that we pay 25 cents into a strike fund.

What year was that?

Senator McNAMARA. 1955.

Mr. BREWSTER. 1955. That was just a portion of 1955, and I think that that is what it would be.

Senator McNAMARA. No, this is the complete year of 1955.

Mr. BREWSTER. What I mean by that is that it just started in a portion of the year. It wasn't the full year. It started in the latter part.

Senator McNAMARA. So in addition to the 20 cents per month per member from the affiliated organizations, you say that you have further income, but you previously answered to me that you had no further income. Now we are changing it and it is 25 cents per month per member?

Mr. BREWSTER. That is right, and that is earmarked that that is for strike benefits only.

Senator McNAMARA. That, of course, is in addition to the 20 cents. That makes 45 cents per member.

Mr. BREWSTER. That is true. I didn't try and evade the question, but I felt that it was a different operation, that it was absolutely earmarked, kept into a separate fund, and can only be used for strike benefits.

Senator McNAMARA. There is no indication here that it was used for strike benefits on this form. There is no mention made of expenses, including strike benefits, so it would appear——

Mr. BREWSTER. We haven't had any strikes during that period.

Senator McNAMARA. There is a breakdown of all these expenditures and strike benefits do not show in it, so it would appear that your first answer was correct, according to this return, and that the strike benefit fund, this 25 cents for strike benefits, I guess you would call it, would be in a separate fund and not included in this return.

Mr. BREWSTER. Yes, sir.

Senator McNAMARA. I think your first answer would be justified from the figures that are before me. But it still does not account for this half million dollars in the nature of gifts, grants, and so forth. I was trying to figure what it was.

Mr. BREWSTER. I will have to check with the auditing department, the bookkeeping department, to figure that out. I didn't make out the report. It is foreign to me, and I would have to check with the people that made it out. That wasn't made out either by John Sweeney. He just signed it.

Senator McNAMARA. It would appear that the strike fund is not part of this. How is the strike fund administered?

Mr. BREWSTER. It is administered by the full executive board or the full policy committee of the Western Conference of Teamsters. Any time that strike sanction is granted, it calls for a detailed report of what the strike is for, et cetera, and then under a certain amount, that can be done by the policy committee. Over a certain amount, it has to be done by calling a meeting of all secretaries in the 11 Western States to approve it.

I am not positive about the figures of what limits the amount that the policy committee can approve or what the entire membership can, but there is, I believe, the best protection that anybody could get over it, and we do that for one big reason, to keep strikes down as much as possible. We are not trying to have them.

Senator McNAMARA. The strike fund that you know about now, do you know how much money you have in the strike fund? It would run a million dollars a year, apparently.

Mr. BREWSTER. Well, roughly speaking, about a million dollars a year. I believe now there is in excess of a million and a half.

Senator McNAMARA. You have been paying out of that fund?

Mr. BREWSTER. Not very much. They are just small. I think the largest strike we had, I think there were 80 some people involved and it lasted about 3 weeks. We matched the amount of money paid by the International per week, which is \$15. We pay \$15 out of the strike.

Senator McNAMARA. And this fund was created in 1955, somewhere in mid-year or something like that?

Mr. BREWSTER. Yes, sir.

Senator McNAMARA. It has been in operation for 21½ years, in round numbers?

No, it would be a little more than a year and a half.

Mr. BREWSTER. Yes, sir, that is correct.

Senator McNAMARA. Well, those figures seem to check pretty well as far as your memory is concerned.

Mr. BREWSTER. Thank you.

Senator McNAMARA. But it still does not account for this ½ million dollars.

Mr. BREWSTER. Well, I will check on that.

The CHAIRMAN. May the Chair ask one question?

Is this \$1½ million included in the assets that you testified to awhile ago?

Mr. BREWSTER. No, we didn't include it in assets.

The CHAIRMAN. Well, they are assets. They are collected and they are in trust.

Mr. BREWSTER. Well, I am sorry that I didn't say they were assets, but I don't think they are assets, because they are earmarked for one certain purpose, and they are not a part of the entire setup. I cannot think that it is in any way.

The CHAIRMAN. What you mean is that you have approximately a million and a half dollars in the strike fund.

Mr. BREWSTER. That is true.

The CHAIRMAN. And you also have in addition to that assets of around a million dollars.

Mr. BREWSTER. That is correct. I was not trying to hide anything, Mr. Senator.

The CHAIRMAN. I was trying to get the record clear.

Senator MUNDT?

Senator MUNDT. Mr. Brewster, I wonder if you can break down for the committee as I think we should have it in our records, the monthly dues of the teamster union member in your area. I think you said it was \$5, plus how much per month?

Mr. BREWSTER. No, there is not any plus.

Senator MUNDT. \$5 even per month?

Mr. BREWSTER. I think the average is around \$5 per month, and I think that prevails in the 11 Western States. I think some of them might have 6 or 7 and some of them probably 4 or something. But I believe that the average would be about \$5 a month.

Senator MUNDT. Will you break down that portion of the dues which leaves the local union? You must be conversant with that. You have 20 cents, as I understand it, for what you call a tax. That tax runs the western conference.

Mr. BREWSTER. Yes, sir.

Senator MUNDT. And you have 25 cents for strike benefits?

Mr. BREWSTER. Yes, sir.

Senator MUNDT. There must be something taken out for the International.

Mr. BREWSTER. Forty cents for the International. Now, I couldn't attempt to break down what they pay to central labor councils, State federation of labor, and several other building trades, and so forth. Some of them belong to it and some of them don't. I don't know—

Senator MUNDT. You have a Joint Council of Teamsters, too.

Mr. BREWSTER. Joint council.

Senator MUNDT. What do they pay?

Mr. BREWSTER. In different areas they pay different amounts. In Seattle, Joint Council 28, I think that those that use the accounting office, I think, pay 35 cents per capita tax, but that includes the accounting part of it and the clerical help for their books, and the others pay 20 cents.

Senator MUNDT. Don't you know how much they take out altogether? Let us just take a local. Let us take this local that has been getting into a lot of trouble down there. The one which Mr. Hildreth is now running in Portland.

Maybe that would not be good to take because that is in trusteeship. Let us take local 174. That is not in a trusteeship; it is?

Mr. BREWSTER. No, sir.

Senator MUNDT. Let us take local 174. You are familiar with that because you used to be, or I guess you are still, an official.

Mr. BREWSTER. Yes, sir.

Senator MUNDT. Let us break that down. I would like to get a picture.

Mr. BREWSTER. I would have to look at the records, Senator, and any statement I would make would just be a guess. I haven't looked at that part of it for years. I know that we belong to the Central Labor Council, the building trades.

Senator MUNDT. Will you do this, will you find out sometime during the noon hour? There must be someone in that local who can give you that information.

Mr. BREWSTER. I will try to make a call to Seattle and see if I can get the per capita tax that they pay.

Senator MUNDT. Would union 174 be fairly typical of unions? There are some figures that are bigger and some that are smaller, but is this the average, or not?

Mr. BREWSTER. Well, I would say that it would probably be on the average. That information we can get for you. That is not hard to get all over the 11 Western States.

Senator MUNDT. I am still thinking of John C. Truckdriver. I am trying to relate all of this to him. I think that it is information that is pertinent. If you will get that during the lunch hour and give it to us, that will be helpful.

Mr. BREWSTER. I will make an attempt and see if I can get the party on the phone. You see, there is 3 hours difference there.

Senator MUNDT. But a good truckdriver should be up by 9 o'clock. He should be up and wide awake.

Mr. BREWSTER. A good truckdriver would have a day's work by then.

Senator MUNDT. I know one fellow that got up at 4:30 in the morning.

Mr. BREWSTER. I was a truckdriver.

Senator GOLDWATER. Mr. Brewster, to get back to the strike fund, do you know if any of that fund is ever used to pay layoffs whether it is used for funds that would be called off-time or part-time or layoff funds, out-of-work funds?

Mr. BREWSTER. Oh, no. It might possibly be used by a vote of the entire representative group of the secretaries for lockouts. I wouldn't say that we would exclude that. But not out of work, no, sir.

Senator GOLDWATER. Do you know if any of your locals or councils maintain such funds?

Mr. BREWSTER. Out-of-work funds?

Senator GOLDWATER. Yes.

(At this point, the chairman withdrew from the hearing room.)

Mr. BREWSTER. I think local unions in certain places—I don't believe unemployment. I don't believe that they do. They have sick dues and so forth, and when they are sick they pay them, but I don't know of any local union that pays men when they are unemployed.

Senator GOLDWATER. Do you have any knowledge of this practice existing in any of your locals or councils, where around election time men are told to quit their jobs and go to work for the election, and get paid out of union funds?

Mr. BREWSTER. No; I don't know of anything like that.

Senator GOLDWATER. The reason I asked that is because the Gore committee which was studying this problem found that practice to be in existence in one of our States. I wondered if it carried over into the teamsters.

Mr. BREWSTER. I do not believe it does, Senator Goldwater. I do not know of any time that that has been done. It hasn't been done to my knowledge, and I don't believe we do that.

Senator GOLDWATER. I have just one more question. This relates back to what we were talking about before. I was using the term "14 (b) of the Taft-Hartley." Are you acquainted with that section?

Mr. BREWSTER. I have read it; yes, sir.

Senator GOLDWATER. You know that that is the section that gives the States the right to pass right-to-work laws.

Mr. BREWSTER. Yes; I know it does.

Senator GOLDWATER. So you know what you were answering me when you answered me.

Mr. BREWSTER. I don't think you would feel that I would be very kindly toward it, Senator.

Senator GOLDWATER. No; I did not expect you to smile about it or be happy with it.

Mr. BREWSTER. No; I would not.

Senator GOLDWATER. I did not know whether you realized what 14 (b) was when you answered. So your answer would still be that you did not ascertain the feelings of any candidates for Federal office toward that section before you gave them support in the form of education. I realize you do not support them politically, you just do it in an educational way.

Mr. BREWSTER. You see, our educational part of it is done in the localities that it is in. Those people have their own autonomy in doing this, Senator Goldwater.

Senator GOLDWATER. I wanted to get the answer. All I am after is the answer. Did you find out before you printed these pamphlets or put on radio programs and so forth that candidate X was for or against that section?

Mr. BREWSTER. I tried to tell you that in any State, that they had their own autonomy. Unless we are asked to get into anything at all, it has to come from the local area itself.

The States themselves, if they elect to go against certain candidates for that purpose, that is up to them. If they get out their publication and probably recommend against voting for somebody because he has thoughts of right to work, that is a local issue, whether it is the governor of the State, the highest office in the State, or probably the senator of the State, as far as acquainting the people with the individual himself.

Senator GOLDWATER. You do not discourage the practice?

Mr. BREWSTER. Of going against those people?

Senator GOLDWATER. Yes.

Mr. BREWSTER. No, sir.

Senator GOLDWATER. That is all I wanted.

Senator MUNDT. Go ahead, Mr. Counsel.

Mr. KENNEDY. I have some other checks I would like to ask you about, Mr. Brewster.

Mr. BREWSTER. O. K. We will get back to checks again.

Mr. KENNEDY. Mr. Chairman, here are two checks. The first one is paid to the order of Tim McCullough, for \$2,500, dated December 1, 1954, of the Western Conference of Teamsters.

(At this point, the chairman entered the hearing room.)

Senator MUNDT. Present this check to the witness and ask him to identify it.

(Document handed to witness.)

(The witness conferred with his counsel.)

Mr. BREWSTER. It is made out on December 1, 1954, to Tim McCullough, for \$2,500, signed by myself and John Sweeney.

Senator MUNDT. Is it endorsed?

Mr. BREWSTER. It is endorsed by Tim McCullough, and the address, et cetera.

Senator MUNDT. That may be made exhibit No. 103.

(The document referred to was marked "Exhibit No. 103," for reference and will be found in the appendix on p. 1475.)

Mr. KENNEDY. May I ask you about that check? Will you tell me what that was for?

Mr. BREWSTER. Yes. That was for the campaign of Tim McCullough.

Mr. KENNEDY. In December of 1954?

Mr. BREWSTER. Yes, sir.

Mr. KENNEDY. What campaign was going on in December 1954?

Mr. BREWSTER. That is the deficit. Pretty near every campaign that I have seen had a deficit in it. We paid that on his deficit. That was after he was elected.

Mr. KENNEDY. What was he running for?

Mr. BREWSTER. He ran and was successful in being the sheriff.

Mr. KENNEDY. Whom did he defeat?

Mr. BREWSTER. He beat—I let his name slip my mind.

Mr. KENNEDY. Callahan?

Mr. BREWSTER. Callahan; yes, that is right. Thank you.

Mr. KENNEDY. Did not the teamsters back Mr. Callahan in the election?

Mr. BREWSTER. The teamsters did. And he was a Republican; yes.

Mr. KENNEDY. How much money did they contribute to his campaign?

Mr. BREWSTER. I don't know. I don't think, to my knowledge, that the western conference—that we backed his campaign to any financial extent.

Senator MUNDT. Did I get mixed up? Did I understand that the teamsters backed one candidate but financed the other one?

Mr. BREWSTER. No.

Senator MUNDT. This is kind of confusing.

Mr. BREWSTER. We lost a candidate and we picked up another.

(At this point, Senator McNamara withdrew from the hearing room.)

Mr. BREWSTER. We lost a Republican. I want you to get this.

Senator MUNDT. But you financed the Democrat. I want to get that, too.

Mr. BREWSTER. No, no.

Senator MUNDT. No?

Mr. BREWSTER. A Democrat was elected, so we helped pick up his deficit.

Senator MUNDT. Did you also contribute to the campaign of the Republican? Did you help with his finances?

Mr. BREWSTER. I haven't any recollection, but I believe that there were contributions from a lot of the local unions for him.

Senator MUNDT. This gets to be a pretty expensive practice, does it not, if you financed the losers and then picked up the deficits for the winners? It would cost a lot of money.

Mr. BREWSTER. Well, they are in office, you know, for 4 years, so we have to kind of get friendly with them.

Senator MUNDT. Court their favor, I suppose.

Mr. BREWSTER. I admit that it is probably costly, and we are going to look into the cost item, too.

Senator MUNDT. We are revising your constitution now, and in your constitutional convention that is another item to consider. I am thinking about the poor old fellow who was out campaigning for Callahan and contributing maybe locally to the teamsters for Callahan, and he loses, and doggone it, he gets taxed to pay for the other fellow. Is that basic; the Americanism we were talking about the other day?

Mr. BREWSTER. Yes. Those that are pretty close, we probably help them both.

Senator MUNDT. Teamsters are not only ones that do that, I might add.

Mr. KENNEDY. This is another check dated September 11, 1956, of the Western Conference of Teamsters, made to the order of Tim McCullough, \$500.

(Document handed to witness.)

(The witness conferred with his counsel.)

Mr. BREWSTER. I am not too positive of what this check is for, but I want to say about this time that there was a drive for a donation to the boys' club in that area, and this could have been it. I am positive that the deal was made with John Sweeney. I know that about that time, in fact, we contributed to the boys' club in that area, and Tim McCullough was very active in it.

Mr. KENNEDY. If you were making a contribution to the boys' club, would you not make the check out to the boys' club?

Mr. BREWSTER. No; I don't think so. I think that most checks in this way are made out to him. It would probably be carried on down a little further, Tim McCullough's boys' club account, or something like that. That is as much as I know.

Mr. KENNEDY. It is listed as a political donation in your book.

Mr. BREWSTER. Well, I think that would be a political donation.

Mr. KENNEDY. A donation to the boys' club is a political donation?

Mr. BREWSTER. Well, I wouldn't term it just exactly that way, but that is my impression of it. I didn't have anything to do with making the check out.

Mr. KENNEDY. You cannot give any explanation for that?

Mr. BREWSTER. No, sir; I can't.

Mr. KENNEDY. You signed the check?

Mr. BREWSTER. I signed it, but I also want to say that I signed a lot of checks in blank and that could have been one. I was out of town much more than John Sweeney. While I was out that could have been made out by John Sweeney. I don't remember.

The CHAIRMAN. That check may be made exhibit No. 104.

(The document referred to was marked "Exhibit No. 104," for reference and will be found in the appendix on p. 1476.)

Mr. BREWSTER. I think Tim McCullough could explain it, if you asked him. I don't know.

Mr. KENNEDY. It is \$500 of union members' dues, once again.

Mr. BREWSTER. Yes; I know.

Mr. KENNEDY. Will you explain these checks, June 30, 1954, or the Western Conference of Teamsters, paid to the order of H. E. Leonard, \$5,000, signed by Frank Brewster and Gordon Lindsay.

The CHAIRMAN. Present the check to the witness and let him identify it.

(Document handed to witness.)

(The witness conferred with his counsel.)

Mr. BREWSTER. This is a check made out to H. E. Leonard for \$5,000, June 30, 1954.

The CHAIRMAN. That check may be made exhibit No. 105.

(The document referred to was marked "Exhibit No. 105," for reference, and will be found in the appendix on p. 1477.)

The CHAIRMAN. What is the check for?

Mr. BREWSTER. Mr. Leonard was one of the campaign managers for the Governor of New Mexico.

The CHAIRMAN. For the Governor of New Mexico?

Mr. BREWSTER. Yes, sir.

The CHAIRMAN. And that check was paid to him?

Mr. BREWSTER. For campaign expenses; yes.

Mr. KENNEDY. Again, Mr. Brewster, it is listed in your books of the Western Conference of Teamsters as a retainer and fees. Will you explain that?

Mr. BREWSTER. No; I can't. I don't know why it was put in there. But I certainly——

The CHAIRMAN. What is the idea of making these incorrect entries in the records of the teamsters?

Mr. BREWSTER. I don't know. I did not instruct them to do that.

The CHAIRMAN. Mr. Brewster, in your responsibilities, do you never examine the books to see whether they are being kept properly, and know where the money is going? Do you not have a sense of responsibility to the membership from whom you collect dues to supervise it and to know, for you to know, as the head of that western conference, as president of it, that these funds are being used properly, and that the books are being properly and accurately kept?

Mr. BREWSTER. I probably don't spend enough time on it.

The CHAIRMAN. I don't believe you do.

I present to you another check dated October 12, in the amount of \$3,000, to H. E. Leonard, and ask you to examine it and see if you identify it.

(Document handed to witness.)

(The witness conferred with his counsel.)

Mr. BREWSTER. This check was made out October 12, 1954, for H. E. Leonard, \$3,000, for the same purpose?

The CHAIRMAN. For the same purpose?

Mr. BREWSTER. Yes, sir.

The CHAIRMAN. How is that check listed on the records?

Mr. KENNEDY. That was listed as a political donation.

The CHAIRMAN. That one was listed as a political donation?

Mr. KENNEDY. That was.

The CHAIRMAN. That check may be made exhibit No. 106.

(The document referred to was marked "Exhibit No. 106," for reference and will be found in the appendix on p. 1478.)

Senator MUNDT. That was for the candidacy of the Governor of New Mexico, I understand?

Mr. BREWSTER. Yes, sir.

Senator MUNDT. \$8,000 total?

Mr. BREWSTER. Yes, sir.

Senator MUNDT. Did he win?

Mr. BREWSTER. Yeah.

Senator MUNDT. Did you send a check for the loser, too?

The governor, I think, is just as important as sheriff, and if you are going to pick up the bills for both sides for sheriff, I think you would get around to governors after a while, too.

Mr. BREWSTER. Senator, we always try to pick winners.

Senator MUNDT. But if you pick losers, then you also contribute to the winners; is that the point?

Mr. BREWSTER. That is right.

The CHAIRMAN. Mr. Brewster, let the Chair ask you what personal records do you keep, of financial records?

Mr. BREWSTER. I just have my checking account, checkbooks, that is all.

The CHAIRMAN. You do not keep any bills, invoices, and so forth?

Mr. BREWSTER. No; not after they are paid.

The CHAIRMAN. Do you keep any personal record of your transactions with the teamsters conference?

Mr. BREWSTER. No, sir.

The CHAIRMAN. You have no records?

Mr. BREWSTER. No, sir.

The CHAIRMAN. Will you surrender to this committee, make available to it for examination, such personal records as you may have, financial records, showing your transactions with the teamsters organizations and with people who have dealings with the organizations so that we may check with respect to the conflict of interest?

(The witness conferred with his counsel.)

Mr. BREWSTER. I will talk to my counsel.

The CHAIRMAN. You may consult with your attorney.

(The witness conferred with his counsel.)

Mr. BREWSTER. Any of the accounts that you speak of, of the western conference or any interest that I might do business with, I will turn those over; yes, sir.

The CHAIRMAN. Let me understand. You are willing, without a subpoena? I will read to you what we want. Of course, I will get you a subpoena if that is necessary, but I am giving you the opportunity to agree to do it and to comply with your agreement.

We shall want you to produce your records from the period of January 1, 1949, to December 31, 1956—you may have a copy of this—including the records of Clearbrook Stock Farm, Needmore Stables, Trinity Farms, and any and all companies in which you have the right to withdraw funds or sign checks; also all of your personal cash receipts and disbursement records, bank statements, canceled checks, correspondence files, bills; also all records of the Western Conference of Teamsters, Joint Council No. 28, Joint Council Building Association, all units within the joint council No. 28, local 174, and all units within the International Brotherhood of Teamsters, Chauffeurs, Warehousemen, and Helpers, together with the bank statements, canceled checks, cash receipts, disbursement records, minutes, bills, correspondence files, and all related documents.

You may have a copy of this.

(Document handed to witness.)

Mr. GRIFFIN. We would like to see the statement, Mr. Chairman.

The CHAIRMAN. I will just hand you the subpoena.

(Document handed to witness.)

(The witness conferred with his counsel.)

The CHAIRMAN. All right, Mr. Brewster.

Mr. BREWSTER. May the counsel explain, please?

Mr. PICKENS. Mr. Chairman, may I ask a question? There is a phrase here, "Also all of your personal cash receipts and disbursements records, bank statements, canceled checks, correspondence files, and bills."

Do we understand that that relates only to those that relate to the subject under investigation here?

The CHAIRMAN. The Chair will be interested in that, particularly, and there is no way that we can ascertain without examining the whole as to which come within that category. We are not interested in anything except that which may relate to his position with the union, his transactions with those who have business with the union. In other words, as counsel, you know the purpose of it, but in order for us to ascertain that part, to be sure we get all of it, that part that is related to his union transactions and responsibility that might reflect upon the way he carries out his trust as a union official, is what the committee is interested in. But in order to be able to know that we have all of it, we have to require the submission of his entire records in order to make the examination necessary to assure us that we have examined all records that might pertain to the subject matter of this inquiry.

Mr. PICKENS. The only question we have is whether the committee would be entitled to more than those personal records that did relate.

The CHAIRMAN. We would have no need for them, except for this purpose. I think counsel can appreciate the character of testimony we have been hearing, so that we could hardly leave it to the witness to make the segregation.

Mr. PICKENS. Well, it seems to me that the committee, certainly, in their subpoena, has to deal with the subject matters concerning which they want. I do not think a blanket subpoena for all personal records would be a valid subpoena.

The CHAIRMAN. Counsel, of course, may advise his client according to his best judgment, with such advice as he wishes to give him.

Mr. PICKENS. We will agree, Mr. Brewster will agree, to furnish everything called for in the subpoena, if it is understood that the phrase that I read relates only to the subject matters which this committee has under investigation. Of course, that would include checks between Mr. Brewster and any individuals that have been mentioned in the inquiry, or any subjects mentioned in the inquiry, or any further bills in particular that the committee wishes to furnish to Mr. Brewster. But I think we are entitled to know, at least in a general way, the subject matter concerning which the committee wishes Mr. Brewster to produce these checks.

The CHAIRMAN. The Chair will ask counsel to make a brief statement regarding the matter. I think we all understand exactly what we want here. I do not want anything short of what is necessary for this committee to carry out its duty in this inquiry. Proceed, Mr. Counsel.

Mr. KENNEDY. Mr. Chairman, according to the testimony that has been given before this committee in the last 2 or 3 days, Mr. Brewster has stated that he has had an interest in the Breel stable. We would have to have all business transactions with the Breel stables, because George Newell is involved, who has a financial arrangement with the Western Conference of Teamsters; the Needmore stables because of Fred Galeno; Superior Auto Service because of the arrangement with Dave Beck and the arrangement that the Superior Auto Service has with the Western Conference of Teamsters.

Mr. BREWSTER. That is Standard Service.

Mr. KENNEDY. Yes, sir. Excuse me. Then we would have to have all of your transactions with the El Rancho Motel, for instance, because there we find that employees of yours went down there and stayed at union expense. That happens to be one motel that we know about. Certainly, based on that information, there are questions raised by other hotels. Then the transactions that you have had with airlines. We have brought out the fact that your employees travel on these airlines at union expense. Therefore, we would want to find out about that, whether you ever paid back anyone for that transportation, what your records show. We have had information brought out that you filed at least what appears on the surface to be double expenses, first with the Western Conference of Teamsters and then with the international union.

Mr. PICKENS. I think that is an unhappy word, Mr. Kennedy. I don't think there is any evidence that there were double expenses.

Mr. KENNEDY. Well, expenses covering the same period of time.

The CHAIRMAN. Mr. Kennedy said "what appeared to be." I think the Chair would sustain him in that statement. If they are not, they are not. If we get the records, we may be able to determine about that. But I would use the word "appears" with this amount of force, at least, that it raises some suspicion, and, therefore, the committee feels it should pursue it and clear it up one way or another.

Mr. KENNEDY. We would like, for instance, to find out what moneys you have paid to these various hotels and find out whether it is covered with the expenses that you charged the western conference and the international. You state that you needed those expenses to cover your hotel bills and your meals. We would like to find out what records you have to cover all of that. It seems to me, with all of that

information, that it covers about every financial transaction that you had, because any of your financial transactions, according to the testimony that has been given to this committee, might have been paid by the teamster organization, or at least a great number of them have been paid by the teamsters.

Mr. PICKENS. We will certainly give you everything you have asked for.

Mr. KENNEDY. I think that is everything that is covered.

The CHAIRMAN. Thank you very much.

This subpoena was served in open session of the committee and will be printed in the record at this point.

(Subpena referred to follows:)

UNITED STATES OF AMERICA

CONGRESS OF THE UNITED STATES

To FRANK W. BREWSTER, *Seattle, Wash., Greeting:*

Pursuant to lawful authority, you are hereby commanded to appear before the Senate Select Committee on Improper Activities in the Labor or Management Field of the Senate of the United States, on forthwith -----, 195--, at ----- o'clock ---- m., at their committee room, Room 101, Senate Office Building, Washington, D. C., then and there to testify what you may know relative to the subject matters under consideration by said committee.

And produce records as specified on schedule A attached.

Hereof fail not, as you will answer your default under the pains and penalties in such cases made and provided.

To ----- to serve and return.

Given under my hand, by order of the committee, this 15th day of March, in the year of our Lord one thousand nine hundred and fifty-seven.

/s/ JOHN L. McCLELLAN,
*Chairman, Senate Select Committee on Improper Activities
in the Labor or Management Field.*

Schedule A
Subpena No. L-300

FRANK W. BREWSTER:

Produce your records for the period from January 1, 1949, to December 31, 1956, including the records of Clearbrook Stock Farms, Needmore Stables, Trinity Farms, and any and all companies in which you have the right to withdraw funds or sign checks; also all of your personal cash receipts and disbursements records, bank statements, canceled checks, correspondence files, bills; also all records of the Western Conference of Teamsters, Joint Council No. 28, Joint Council Building Association, all units within the International Brotherhood of Teamsters, Chauffeurs, Warehousemen, and Helpers, together with the bank statements, canceled checks, cash receipts and disbursements, records, minutes, bills, correspondence files, and all related documents.

MARCH 21, 1957.

I made service of the within subpoena by personal service in open hearing the within-named Frank W. Brewster, at Room 318, Senate Office Building, Washington, D. C., in open session of the committee, at 1:55 o'clock a. m., on the 21st day of March 1957.

/s/ JOHN L. McCLELLAN, *Chairman.*

Mr. PICKENS. I assume we will have a reasonable amount of time.

The CHAIRMAN. Yes, sir. The Chair will certainly not ask anything unreasonable. If you can indicate about the amount of time you want, we will consider that now.

Mr. BREWSTER. Can you tell me how long I will be here?

The CHAIRMAN. Well, I am trying to get through with you today. I hope we can.

Mr. BREWSTER. That is the best news I have heard since I have been here.

The CHAIRMAN. Sir?

Mr. BREWSTER. That is the best news I have heard since I have been here.

The CHAIRMAN. Well, it is good news to me, too.

Is there anything further?

Well, you may confer with your counsel, and also your counsel or you may confer with the staff here with respect to the amount of time you think you will need, Mr. Brewster. Certainly we realize you have to return out to your home and assemble these records, and a reasonable time, a proper time, will be granted. The Chair can assure you that.

Mr. BREWSTER. Thank you.

The CHAIRMAN. Can my colleagues return at 1:30, so that we are sure we will have time to try to conclude this testimony?

Mr. KENNEDY. I can cover one more item now.

The CHAIRMAN. Go ahead; we will proceed a little while longer.

The Chair is doing everything he can to expedite this to a conclusion.

Mr. KENNEDY. Mr. Brewster, I want to ask you about the accounting that you have made to the Department of Labor and also on your income-tax return, and the disparity that appears to exist. We have those broken down and mimeographed. You can examine the records themselves here, but I want to ask you about some of those figures.

Mr. BREWSTER. I don't believe I could help you any, because that was done through the party that makes them out, and I would have to get the other checks or the other data that he has to assist the information that you want.

Mr. KENNEDY. I will give you what the figures are.

Mr. BREWSTER. Okay.

Mr. KENNEDY. And, Mr. Griffin, these documents are here if there is any question about them.

Mr. GRIFFIN. Thank you.

Mr. KENNEDY. We will take the International Brotherhood of Teamsters, Mr. Brewster.

Mr. Chairman, we have these documents themselves. Could we get those put into evidence?

The CHAIRMAN. Are these the originals?

Mr. KENNEDY. Those are the originals from which these figures have been taken. Mr. Adlerman can put them into evidence.

The CHAIRMAN. Mr. Adlerman?

We will suspend with this witness for a moment.

(Members present at this point: The chairman, Senators Mundt, and Goldwater.)

TESTIMONY OF JEROME ADLERMAN—Resumed

The CHAIRMAN. Mr. Adlerman, you have certain photostatic copies of records of the Department of Labor, have you?

Mr. ADLERMAN. I have.

The CHAIRMAN. Will you identify them so that they may be made exhibits?

Mr. ADLERMAN. I have in my hand—

The CHAIRMAN. Make them one exhibit, A, B, C, D, and so forth. Just identify them.

Mr. ADLERMAN. I have in my hand the labor organization registration form for the International Brotherhood of Teamsters, received by the Department of Labor on January 28, 1954.

The CHAIRMAN. That will be made exhibit No. 107-A.

(The document referred to was marked "Exhibit No. 107-A," for reference and may be found in the files of the select committee.)

Mr. ADLERMAN. I have another copy of the International Brotherhood of Teamsters Labor Organization registration form received February 5, 1954.

The CHAIRMAN. That will be made exhibit No. 107-B.

(The document referred to was marked "Exhibit No. 107-B," for reference and may be found in the files of the select committee.)

Mr. ADLERMAN. I have in my hand labor organization form of Local Union 174, Teamsters, and Chauffeurs, received February 18, 1954.

The CHAIRMAN. Exhibit 107-C.

(The document referred to was marked "Exhibit No. 107-C," for reference and may be found in the files of the select committee.)

Mr. ADLERMAN. Local 174, labor organization registration form, received April 10, 1950.

The CHAIRMAN. Exhibit 107-D.

(The document referred to was marked "Exhibit No. 107-D," for reference and may be found in the files of the select committee.)

Mr. ADLERMAN. Local 174, labor organization registration form, April 25, 1951.

The CHAIRMAN. That will be made exhibit 107-E.

(The document referred to was marked "Exhibit No. 107-E," for reference and may be found in the files of the select committee.)

The CHAIRMAN. The Chair will instruct the clerk to mark the exhibits, to continue marking the exhibits as presented, alphabetically.

Mr. ADLERMAN. Labor organization registration form local 174, filed May 12, 1952.

(The document referred to was marked "Exhibit No. 107-F," for reference and may be found in the files of the select committee.)

Mr. ADLERMAN. The same form, local 174, received March 16, 1953, at the Department of Labor.

(The document referred to was marked "Exhibit No. 107-G," for reference and may be found in the files of the select committee.)

Mr. ADLERMAN. Joint Council of Teamsters, No. 28, labor organization registration form, received by the Department of Labor July 27, 1953.

(The document referred to was marked "Exhibit No. 107-H," for reference and may be found in the files of the select committee.)

Mr. ADLERMAN. Next is the same organization, Joint Council of Teamsters, No. 28, received March 29, 1956.

(The document referred to was marked "Exhibit No. 107-I," for reference and may be found in the files of the select committee.)

Mr. ADLERMAN. Joint Council of Teamsters No. 28, filed with the Department of Labor on October 10, 1952.

(The document referred to was marked "Exhibit No. 107-J," for reference and may be found in the files of the select committee.)

Mr. ADLERMAN. Joint Council of Teamsters, No. 28, received by the Department of Labor, March 31, 1955.

(The document referred to was marked "Exhibit No. 107-K," for reference and may be found in the files of the select committee.)

Mr. ADLERMAN. Joint Council No. 28, received March 31, 1954.

(The document referred to was marked "Exhibit No. 107-L," for reference and may be found in the files of the select committee.)

Mr. ALDERMAN. Local Union No. 472, Inside Brewery Workers, Warehousemen, Platform Men and Helpers, received at the Department of Labor, April 27, 1950.

(The document referred to was marked "Exhibit No. 107-M," for reference and may be found in the files of the select committee.)

Mr. ADLERMAN. The same local, No. 472, received November 23, 1951.

(The document referred to was marked "Exhibit No. 107-N," for reference and may be found in the files of the select committee.)

Mr. ADLERMAN. Local union 472, received October 16, 1952.

(The document referred to was marked "Exhibit No. 107-O," for reference and may be found in the files of the select committee.)

Mr. ADLERMAN. Local union 472, received March 16, 1953.

(The document referred to was marked "Exhibit No. 107-P," for reference and may be found in the files of the select committee.)

Mr. ADLERMAN. Local union 472, February 23, 1954.

(The document referred to was marked "Exhibit No. 107-Q," for reference and may be found in the files of the select committee.)

Mr. ADLERMAN. Local union 472, received March 17, 1955.

(The document referred to was marked "Exhibit No. 107-R," for reference and may be found in the files of the select committee.)

Mr. ADLERMAN. Local union 472, received February 27, 1956.

(The document referred to was marked "Exhibit No. 107-S," for reference and may be found in the files of the select committee.)

The CHAIRMAN. Does that cover all of them?

Mr. ADLERMAN. That covers all we have.

The CHAIRMAN. What you have introduced here as exhibits 107 A through S, are photostatic copies of records now on file in the Department to which you referred?

Mr. ADLERMAN. That is right.

The CHAIRMAN. They were secured from the Department?

Mr. ADLERMAN. From the Department of Labor.

The CHAIRMAN. All right.

Mr. KENNEDY. Mr. Chairman, could we also have put in the record these comparisons of the compensation and allowances shown in the Department of Labor reports versus the income-tax return on local 174, and then also on the International Brotherhood of Teamsters?

The CHAIRMAN. How can they be vouched for?

Mr. KENNEDY. Mr. Bellino can vouch for them.

(At this point, Senator Goldwater withdrew from the hearing room.)

(Members present at this point: The chairman, and Senator Mundt.)

TESTIMONY OF CARMINE S. BELLINO—Resumed

The CHAIRMAN. Mr. Bellino, have you made comparisons of the income-tax reports and the financial statements?

Mr. BELLINO. I have; yes, sir.

The CHAIRMAN. Do you have those comparisons tabulated?

Mr. BELLINO. Yes, sir; we have a mimeographed copy made up from our worksheet.

The CHAIRMAN. You have a mimeographed copy made up from your worksheet?

Mr. BELLINO. Yes, sir.

The CHAIRMAN. Do you have the original worksheets?

Mr. BELLINO. Yes, sir.

The CHAIRMAN. Are the mimeographed copies true and accurate?

Mr. BELLINO. Yes; except for the last year which should be 1955 instead of 1953, on local 174.

The CHAIRMAN. With that correction; are they accurate?

Mr. BELLINO. Yes, sir.

The CHAIRMAN. Then they may be made exhibits Nos. 108 and 109.

(The documents referred to were marked "Exhibits Nos. 108 and 109" for reference and will be found in the appendix on pp. 1479 and 1480.)

Mr. KENNEDY. Mr. Bellino, could I ask you one other question?

Mr. Brewster signed the income-tax returns; is that correct?

Mr. BELLINO. Yes, sir.

Mr. KENNEDY. And he signed that they were accurate?

Mr. BELLINO. I would believe that if he signed them, that is what it means.

Mr. KENNEDY. And also the Department of Labor reports?

Mr. BELLINO. On certain of the reports, he signed, and on others, others signed.

TESTIMONY OF FRANK W. BREWSTER, ACCOMPANIED BY HIS COUNSEL, JERRY N. GRIFFIN AND JOHN K. PICKENS—Resumed

Mr. KENNEDY. Could I ask you some questions first about local 174?

Mr. BREWSTER. Yes, sir.

Mr. KENNEDY. Per your comparison of the reports to the Department of Labor versus those for the income-tax return, in the Department of Labor you show \$10,402.50. By your income-tax return, you show \$15,622.50. Can you give us any explanation of that?

Mr. BREWSTER. The only thing it possibly could be is additional income from other source.

Mr. KENNEDY. This is for local 174. You certified this as the income in the Department of Labor certificate as the income from local 174 to be \$10,402.50 and in your income tax return you certify it to be \$15,622.50.

Mr. BREWSTER. I cannot explain it, because I would have to talk with the party that drew it up. I did not draw it up at all. I took his word for it, and whatever it is, I signed and I turned it in.

Mr. KENNEDY. You signed it to be accurate, Mr. Brewster.

Mr. BREWSTER. Well, because he told me it was accurate.

Mr. BREWSTER. Who is "he"?

Mr. BREWSTER. I think Fred Verschueren, Jr., made this out.

Mr. KENNEDY. For your income tax return, also?

Mr. BREWSTER. Yes, sir.

Mr. KENNEDY. And then in 1950, it is \$10,402.50.

Mr. BREWSTER. It is the same thing right straight through.

The CHAIRMAN. You have examined a copy of this, have you, Mr. Brewster?

Mr. BREWSTER. Yes, sir, I have.

The CHAIRMAN. The copies of the comparisons which have just been made?

Mr. BREWSTER. Yes, sir.

Mr. KENNEDY. Would there be any reason or explanation that you did not want the international to know how much money you were getting from the local and that is why the money was dropped?

Mr. BREWSTER. There wasn't any way at all in anything that I told anybody to cover up anything. That is a true report of what the bookkeeper made out and I signed it, and that is all I know.

Mr. KENNEDY. If Fred Verschueren did your income tax returns and also did the certificate to the Department of Labor, how could he get two different figures?

Mr. BREWSTER. That would be a question that he would have to answer.

Mr. KENNEDY. You signed them, Mr. Brewster.

Mr. BREWSTER. Because he told me. I didn't even—I took his word for it. I didn't compare one with the other or anything else.

Mr. KENNEDY. For instance, in the Department of Labor, going to the International Brotherhood of Teamsters and the income that you got from the International Brotherhood of Teamsters, and comparing that with the Department of Labor and your income tax return for the year 1955, you told the Department of Labor you made \$16,991.62, and on the income tax returns you show only \$6,000.

(The witness conferred with his counsel.)

Mr. BREWSTER. Isn't it possible that some of that could be expenses?

Mr. KENNEDY. Are you not supposed to mention that in your income tax?

Mr. BREWSTER. I don't know.

Mr. KENNEDY. You do not know that?

Mr. BREWSTER. He is supposed to know it. I don't know it myself.

Mr. KENNEDY. Again, it is your income tax returns. If somebody goes to jail, it is not Fred Verschueren, it is Mr. Brewster.

Mr. BREWSTER. Nobody knows that any better than I do.

Mr. KENNEDY. Can you give us any explanation?

Mr. BREWSTER. No, I cannot, until I discuss it with him and see how he made this out and how he came to this figure and these figures that are down here. I am just as blank on it as I can be, because I haven't discussed it with him. I don't know anything about it.

Senator MUNDT. Who is Mr. Verschueren? Is he an auditor, an internal revenue collector, a bookkeeper, or what is he?

Mr. BREWSTER. The head bookkeeper.

Senator MUNDT. In the western conference?

Mr. BREWSTER. No, he is working for joint council and 174 and other local unions. We have kind of a bookkeeping department that he works for as the head of the bookkeeping department.

Mr. KENNEDY. Did you get \$10,991.62 as expenses from the International Brotherhood of Teamsters?

Mr. BREWSTER. I don't know that.

Mr. KENNEDY. Does that sound like a proper figure—that you got that much money in expenses?

Mr. BREWSTER. That is possible, yes.

Mr. KENNEDY. You got \$11,000, just under \$11,000, in expenses?

Mr. BREWSTER. I said it would be possible. I answered that one.

Mr. KENNEDY. Just tell me. Is that roughly the figure that you got in expenses?

Mr. BREWSTER. I do not know what this means. I have to, before I make a positive statement that it was or could be, I would want to talk to the man that made it out.

Mr. KENNEDY. I am not asking you about who made it out or anything about this. Let me just ask you: Is it possible that you got approximately \$11,000 in expenses from the International Brotherhood of Teamsters in 1955? Does that seem reasonable?

Mr. BREWSTER. I don't know whether it is reasonable or not.

Mr. KENNEDY. You do not know how much you got in expenses from the international brotherhood?

Mr. BREWSTER. No, sir.

Mr. KENNEDY. You cannot give any explanation of any of the figures, then, Mr. Brewster?

Mr. BREWSTER. No, sir; I can't.

Mr. KENNEDY. We went over that so quickly we can probably go over another item.

Senator MUNDT. Is this Mr. Verschueren the same man who is the auditor of the international?

Mr. BREWSTER. No, sir; it is the son.

Senator MUNDT. He is the son?

Mr. BREWSTER. Yes, sir.

Mr. KENNEDY. Mr. Chairman, here is a check.

The CHAIRMAN. Mr. Brewster, the Chair presents to you what purports to be a photostatic copy of a check dated July 24, 1955, signed by you as president of the Western Conference of Teamsters, check No. 5, drawn on the Seattle First National Bank, Seattle, Wash., payable to the order of Samuel B. Bassett, in the amount of \$100,000. Will you examine this check and state what it is?

(Document handed to witness.)

(The witness conferred with his counsel.)

The CHAIRMAN. State what that expenditure was for.

(The witness conferred with his counsel.)

The CHAIRMAN. Do you identify the check?

Mr. BREWSTER. I do.

The CHAIRMAN. It may be made exhibit No. 110.

(The document referred to was marked "Exhibit No. 110," for reference, and will be found in the appendix on p. 1481.)

The CHAIRMAN. Mr. Counsel, you may interrogate him.

Mr. KENNEDY. Could you tell the committee what the \$100,000 was given to Mr. Samuel Bassett for?

Mr. BREWSTER. Yes, sir. And I would like to explain it, if I can, by telling the committee, because I think it takes an explanation. That is one of the checks—you have others, and I think if you got them all together I think it would simplify this—

The CHAIRMAN. We will be glad to accommodate you. I will present you another check dated September 13, 1955, check No. 7, drawn in the same manner, on the same bank, payable to Smith and Denny Branch, Seattle, Wash., First National, in the amount of \$50,000.

Will you examine that check and state whether you identify it.

(Document handed to witness.)

(The witness conferred with his counsel.)

Mr. BREWSTER. Yes, I identify it as made out to the bank and signed by myself and John Sweeney, for a draft to Montreal, Vancouver, British Columbia.

The CHAIRMAN. Now you wish to explain those checks?

Mr. BREWSTER. Those are the only two that you want to present at this time?

The CHAIRMAN. At this time. That will be exhibit No. 111.

(The document referred to was marked "Exhibit No. 111," for reference, and will be found in the appendix on p. 1482.)

Mr. BREWSTER. There was a company, a trucking company, named PIX.

The CHAIRMAN. Named what?

Mr. BREWSTER. P-I-X. I think spelled out it was the Pacific Inter-Mountain Express.

Senator MUNDT. P-I-E.

Mr. BREWSTER. No. That is why they had to change it from E to X.

Senator MUNDT. I was driving out in that area last fall. I thought it was P-I-E.

Mr. BREWSTER. Originally it was E, and then they did it like Xmas, I guess, with an X. It is a Canadian firm. It was the largest trucking company in Canada. We had organized about 160 employees. We had the model agreement for Canada with this company.

The CHAIRMAN. A what?

Mr. BREWSTER. A model agreement, a trucking agreement contract with the company, the union. There were a few other minor companies, and we were in the process of organization. This company got in financial difficulties where it looked like they were going to fold. Mr. Coley Watson came to my office time and time again and prevailed upon me to take it up and see if I couldn't give him some help so that this organization would not wrap up.

I discussed it at length with our people, our organizers, discussed it from time to time with individuals. I went down because it was necessary to take some immediate action because they were up against meeting their obligations or closing their doors.

Of all of the people that I talked to, they were 100 percent in accord of giving them financial assistance, and to get as much security as we possibly could get to cover the loans, and that we proceeded to do.

After we got into it for this amount, we found out that it needed some strict attention and so forth, and they needed more money. We got stuck. We got mortgages on equipment. We got everything in the way of collateral that we could get to cover the loans that we were giving.

I knew a man in Seattle by the name of Robert Acheson that I felt was one of the best operators in the western part of the country in the trucking industry. I asked him if he wouldn't aid and assist us in trying to straighten out a company that I felt had probably the

biggest potential of any company in Canada, the biggest trucking company. After spending several hours with him, showing him the records, he took an auditor to Canada, went over their books in general, got all of the data that was necessary—and, incidentally, this Robert Acheson owns the Black Ball Freight Lines that run into Canada. He went along on that presumption, took a complete audit, came back and told me that the picture wasn't too bright, but it looked that they had wonderful rights, wonderful places to run, trucking in Canada was in its infancy, and that he felt that it could be taken out of the hole and could be saved.

We did not start as an investment. We started at saving 160 jobs of the workers, and also the work that we had accomplished for several years of organizing in that area.

Senator MUNDT. There is something wrong there. There must be more than 160 jobs that you put that much money in. Was there 160,000 jobs?

Mr. BREWSTER. No. In trucking, that is a pretty good size trucking outfit. It isn't a small outfit, 160.

Mr. KENNEDY. How much money did you put in altogether?

Mr. BREWSTER. I haven't the exact figure, but I think it is in excess of \$400,000.

Mr. KENNEDY. To save 160 jobs?

Mr. BREWSTER. No. To save not only 160 jobs—that wasn't our motive altogether. I know that it would cost—I know something about cost of organizing. If that company had folded and we did not have that type of agreement in Canada, it would cost us double that to start over again and get agreements.

Mr. KENNEDY. What do you mean "we"?

Mr. BREWSTER. The teamsters in the western conference.

Mr. KENNEDY. You people had an agreement with this trucking company?

Mr. BREWSTER. Yes, sir.

Mr. KENNEDY. And did you have an agreement with any other trucking companies?

Mr. BREWSTER. A few minor ones.

Mr. KENNEDY. So you put this money, over \$400,000, into a trucking company with whom you had a contract in order to insure this company's continued existence, is that right?

Mr. BREWSTER. Yes, sir; that is right.

Mr. KENNEDY. And to save the 160 jobs?

Mr. BREWSTER. To save the 160 jobs and to save all of the work that it took us to get up to that point. That was the paramount job in organizing Canada. I think that this deal is just about as good a deal, and I think everybody out there feels the same way about it. I don't see any harm in what we did. In fact, now it looks like it is a good deal and a better deal than anything we could have expected.

Senator MUNDT. Finish your story, Mr. Brewster. Did you save the jobs? Did you get your money back? What happened?

Mr. BREWSTER. We are in a position—we saved the jobs. There was new management put in. Mr. Acheson saw that the whole thing was streamlined, and things were cut here and there, and the operation now is operating in the black. I don't think it will be long until we will get every dime back that we put in it, and I am kind of proud that

we saved not only the jobs but saved all of the hard work that we did to organize Canada and this particular job itself.

I know this, and I feel it just as sincerely as I can say it, that this helped Canada much more than the amount of money involved, and we will get the money back.

Mr. KENNEDY. Tell me this, Mr. Brewster: If this was such a fine deal and good arrangement for you, why was it handled in the manner that it was handled? Why did not the money just go right into this company instead of going through Mr. Bassett?

Mr. BREWSTER. I thought that it was the best to do it that way to handle it in more or less secrecy from the standpoint of other operators that might get into trouble and feel that they would want a loan, too. I do not make a practice of this. It is only in a very rare emergency. I felt by keeping the publicity down—now it is all over the world—that it would help us to not be having people say “Well, my outfit is bad, why don’t you help me?” I wouldn’t do this in a well organized area, where competition is keen and we are well organized. I would not invest in the companies that might have bad management and might be going broke.

Mr. KENNEDY. Have you loaned any sums comparable to this to any other trucking company in the United States?

Mr. BREWSTER. We are loaning the Black Ball Freight Line—

Mr. KENNEDY. That is the same Mr. Acheson?

Mr. BREWSTER. Mr. Acheson—that is building a ferry that will cost over \$3 million, that will run between Seattle and Vancouver, and we are secured in every way on the moneys that we are loaning.

Mr. KENNEDY. How much money are you loaning Mr. Acheson?

Mr. BREWSTER. \$250,000.

Mr. KENNEDY. Is Mr. Acheson the negotiating teamster for the west coast truckers, with the teamster organization?

Mr. BREWSTER. No, he was not on the negotiating team with the western truckers in their last negotiations.

Mr. KENNEDY. Has he been on at all?

Mr. BREWSTER. No, sir.

Mr. KENNEDY. He never has?

Mr. BREWSTER. No, sir.

Mr. KENNEDY. He never had any position on that?

Mr. BREWSTER. No, sir, not on the western truckers, the western conference.

Mr. KENNEDY. Does it appear to you, Mr. Brewster, that there is any danger in this policy of loaning money to organizations or trucking companies that will make a contract with you?

Mr. BREWSTER. I have never had that in my mind, and I wish you wouldn’t put it there.

Mr. KENNEDY. Now that I put it there, will you answer the question?

Mr. BREWSTER. I have never had it in my mind.

Mr. KENNEDY. Do you think that there is any danger in that?

Mr. BREWSTER. I do not believe so. I will deal with everybody level and aboveboard right on top of the table regardless of any other relationship, friendship or anything else, and I have a reputation and record of doing it.

Mr. KENNEDY. If this company had not had a contract with the teamsters, would you have loaned them over \$400,000?

Mr. BREWSTER. If it was a nonunion concern? Certainly I wouldn't.

Mr. KENNEDY. Was this a loan? Let us get the term straight. Is this a loan or did you purchase stock or what?

Mr. BREWSTER. It is a loan, it is a partial loan and stock. We get stock to cover it, and equipment.

Mr. KENNEDY. How much of it was a loan and how much was the purchase of stock?

Mr. BREWSTER. I don't know how it is divided.

Mr. KENNEDY. You don't know how a deal as big as this is divided, Mr. Brewster?

Mr. BREWSTER. No, I don't.

Mr. GRIFFIN. I believe the counsel is getting mixed up, Mr. Chairman. It was all a loan.

The CHAIRMAN. Let the witness answer.

Mr. BREWSTER. I considered it a loan.

The CHAIRMAN. All right. If it is all a loan, it is all a loan.

Mr. KENNEDY. What do you mean that you considered it a loan? Could you explain that? You say you just loaned them the money, is that it?

Mr. BREWSTER. Loaned them money and they put up collateral for the loan.

Mr. KENNEDY. Did anybody consider, did Mr. Acheson consider, that you were purchasing stock?

Mr. BREWSTER. Sir, these are put up just to secure the loan, in my opinion.

Mr. KENNEDY. You said that it was a loan. Was it a loan or did your purchase—

Mr. BREWSTER. Yes, it was a loan, and the stock is up as security.

Mr. KENNEDY. Then it was all a loan?

Mr. BREWSTER. Yes.

Mr. KENNEDY. And there was never any question, you know the answer to that, it was all a loan, is that right?

Mr. BREWSTER. Well, now, wait a minute. In my opinion it was a loan, and we got as much security as we possibly could for the loan. That is what I am trying to say.

Mr. GRIFFIN. Mr. Chairman, may I say this: At one time I listened in on an investigation that Mr. Fulbright conducted and I listened to the accountants for days discuss what was a loan and I don't even believe accountants know what consists of a loan or what consists of security of stock, because they certainly didn't agree in that hearing.

The CHAIRMAN. The Chair is not familiar with that hearing and cannot comment upon it. I think most of us know what a loan is, and most of us know what a purchase is. So we may continue to interrogate the witness as to whether some part of this is purchase or some part of it loan, some part of it gift, whatever it amounts to. I do not know what is involved in this transaction.

I have before me now an affidavit that I am reading that possibly will throw some light on it. I assume counsel has read the affidavit.

Proceed.

Mr. KENNEDY. Tell me this: What was your arrangement with Mr. Acheson. What was he to get out of this deal? I am again trying to find out the explanation of whether this is a loan or whether you were purchasing stock. What was he to get out of this?

Mr. BREWSTER. I don't recall that he was going to get anything other than if the—I think by this loan that we had control of the company, and that if it was a deal and he could make any money over and above what he had in it, why, it was his deal.

Mr. KENNEDY. I do not understand what that means.

Mr. BREWSTER. I don't, either.

Senator MUNDT. I think one way to determine whether this is a loan or not, Mr. Brewster, is this: Was it an interest-bearing negotiation?

Mr. BREWSTER. Yes; we get interest.

Senator MUNDT. What rate?

Mr. BREWSTER. I believe it is 5 or 6 percent on some of it. There is interest that we are getting.

Senator MUNDT. On the part that you are getting interest, as it is obviously a loan, or on the part that you do not get interest.

Mr. BREWSTER. Well, that possibly could be a mixture of a loan and stock. I am not positive about that.

Senator MUNDT. In other words, you think part of it was a loan on which you got interest and part of it you invested in the company as stockholder?

Mr. BREWSTER. That could possibly be construed as that, but I think our whole intent and whole objective——

Senator MUNDT. It started out as a loan?

Mr. BREWSTER. Yes; it did, and then to get security we had to do this.

Senator MUNDT. You bought the stock after that?

Mr. BREWSTER. Yes, sir, I believe that is true.

Mr. KENNEDY. Tell me this: When you put up this money, approximately \$400,000, and you brought Mr. Acheson in on it—right?

Mr. BREWSTER. Not until the time that we were in a position of where we had to put some more money in it. He didn't come in from the conception.

Mr. KENNEDY. What did Mr. Acheson put in on it?

Mr. BREWSTER. He didn't put in anything, other than his time and effort to straighten it out.

Mr. KENNEDY. Were you paying him a salary?

Mr. BREWSTER. No, sir.

Mr. KENNEDY. What did you tell him that you would give him? What did you tell him that you would give him or pay him for the work that he was doing?

Mr. BREWSTER. I don't think I had any arrangement.

Mr. KENNEDY. You mean he just came in there?

Mr. BREWSTER. Yes; he just came in there. I asked him to help, because I knew that he knew something about the business.

Mr. KENNEDY. Why did he go up to Canada and try to reorganize the company for nothing?

Mr. BREWSTER. Well, there is some people that will do that for a friend of theirs.

Mr. KENNEDY. Is that why he was doing that, as a friend of yours?

Mr. BREWSTER. That certainly was the way that it started.

Mr. KENNEDY. All right. That is the way it started. Did it finish any differently?

Mr. BREWSTER. I don't know whether it did or not. I don't——

Mr. KENNEDY. Mr. Brewster, you are in charge. You are president of the Western Conference of Teamsters.

Mr. BREWSTER. I know that. I have been reminded for 2 weeks about that.

Mr. KENNEDY. This is over \$400,000. You must know the explanation.

Mr. BREWSTER. That is true. Will you read the part you are referring to?

Mr. KENNEDY. When I mentioned to you about a \$15 bill at the El Rancho Motel, and you cannot explain it, that is perhaps understandable, but when it is \$400,000 of union members dues, can you explain what the arrangement was with Mr. Acheson?

Mr. BREWSTER. The arrangement with Mr. Acheson——

Mr. KENNEDY. Start it at the beginning and how you ended up.

Mr. BREWSTER. The deal with Mr. Acheson was this, that we wanted him to see that the management of that place would be put into the shape that we would get our money back.

Mr. KENNEDY. What was he going to get out of it, just as a friend of Frank Brewster's?

Mr. BREWSTER. I don't know what he was going to get out of it. If he wanted to take the deal over and get our money back, he could have the deal. That was probably it.

Mr. KENNEDY. What does that mean, to have the deal?

Mr. BREWSTER. Well, to have the stock. We had stock in there.

Mr. KENNEDY. Where was the stock that he could get? I thought you did not have the stock.

Mr. BREWSTER. I think there is some stock that was put up.

Mr. KENNEDY. I thought it was a loan.

Mr. BREWSTER. Well, there is stock involved in it, too, to protect our loan as much as we can.

Mr. GRIFFIN. Mr. Counsel, you make a loan and you put up stock as security all of the time. That is fundamental.

Mr. KENNEDY. I am sorry.

Could I just ask this: The Western Conference of Teamsters made the loan, right? Then the stock was put up in the Western Conference of Teamster's name? That would be the way you would ordinarily handle a loan.

Mr. BREWSTER. Now, wait a minute.

Mr. KENNEDY. I am sorry.

Mr. BREWSTER. I am going to have to hire you to make my loans. I turned this over to attorneys to make this deal. That was done with Mr. Bassett, and Bogle, Bogle, & Gates, I believe, on the other part. That is the deal that was made, and I turned it over, and I took their word that it was a deal that would stand up. So it was done through attorneys, and I didn't make the deal, but I had to hire attorneys to do it.

Mr. KENNEDY. Can you explain, and I don't think I am being unfair, just explain about the arrangement on the collateral for the loan?

Mr. BREWSTER. That is in the deal, and the attorneys can explain that, and I cannot.

Mr. KENNEDY. Mr. Brewster, again, I don't want to keep saying it, but you are the president——

Mr. BREWSTER. I am the president of the council. You don't have to. You are doing it.

Mr. KENNEDY. I would think if anybody would know how this money was used, it would be you.

MR. BREWSTER. I turn these matters of this kind over——

MR. GRIFFIN. Mr. Chairman.

MR. KENNEDY. Mr. Griffin, let him answer.

MR. GRIFFIN. Mr. Chairman, I submit that the counsel is badgering the witness. I hate to keep doing this. I don't want to do it.

THE CHAIRMAN. I do not believe the word "badgering" is a proper word.

MR. GRIFFIN. Strike the word "badgering", then.

THE CHAIRMAN. The counsel of the committee is having considerable difficulty, and I am sure my friend has observed, trying to get the facts, to get the whole truth. We have a witness who does not remember, and then when we get down to these important things, involving \$400,000, his explanation is more confusing than enlightening.

So I hope we will proceed. I trust the witness will try to give us the facts. I think, from what I see before me, there are some things within his knowledge he obviously could testify to.

Let us proceed.

MR. KENNEDY. Would you just tell me this, Mr. Brewster: What were your conversations with Mr. Acheson as to what was to happen to the stock or what he was to get out of the deal?

MR. BREWSTER. My only conversation that I recollect was that I brought Mr. Acheson in to straighten out the deal and do the best that he could and help us in the situation in Canada.

MR. KENNEDY. Do you remember——

MR. BREWSTER. Wait a minute. From there on I turned that over to the lawyers and had them work out the deal with Mr. Acheson to see that we could accomplish that.

MR. KENNEDY. Was he to receive and get the stock from this company?

MR. BREWSTER. He could have, if he got our money back.

MR. KENNEDY. Then there was that arrangement?

MR. BREWSTER. There could have been.

MR. KENNEDY. Well, was there?

MR. BREWSTER. I said to him there that the only thing that we are interested in in this deal is to get the money and the interest on the money back. That is all I said. I said from there on I am not interested, I don't want to be in on it, cut in on it a dime, or I don't want anybody else in on it. All the teamsters union is interested in is getting their loan back or their money back, whatever you want to call it back, with the interest on it, and I think we are on the road to do it.

MR. KENNEDY. You said you did not want anybody else to get a dime out of it. Did that include Mr. Acheson?

MR. BREWSTER. Anybody else in our organization. I didn't complete the statement.

MR. KENNEDY. Then you were going to turn the company over to Mr. Acheson?

MR. BREWSTER. If Mr. Acheson paid off the moneys that we had in there, he certainly could have had the deal.

MR. KENNEDY. What did that mean, "he certainly could have had the deal"? Does that mean he could have had the company?

MR. BREWSTER. A portion of the company, and what portion, I don't know. But he could have had whatever we had.

Mr. KENNEDY. You remember now that you had some conversations along that line?

Mr. BREWSTER. Yes; I think we did.

Mr. KENNEDY. That he was doing it other than being a friend of Frank Brewster's?

Mr. BREWSTER. Originally he started that way, and he could have gone along. If he had gone up and made the investigation and so forth, and said, "It's hopeless, don't enter into it," there wouldn't have been 5 cents involved. I wouldn't have had to pay him for the knowledge.

Mr. KENNEDY. Did he tell you that, that it was a hopeless deal?

Mr. BREWSTER. No, sir; he stated that it didn't look too bright, but he said that he thought they could dig it out.

Mr. KENNEDY. Let me just ask you: When you made the loan of approximately \$400,000, then you received back as collateral for the loan the stock? You do not know that?

Mr. BREWSTER. That deal was made with the attorneys, and whatever they did, and whatever stock that there is, it is in the proper place, I am positive.

Mr. KENNEDY. But did you want to make sure that your attorneys were giving the Western Conference of Teamsters the stock, or did you care, or what was the arrangement?

Mr. BREWSTER. I had the confidence in the attorneys, that they were representing in a very good manner the Western Conference of Teamsters. I hire good attorneys.

Mr. KENNEDY. Thank you.

The CHAIRMAN. The Chair has an affidavit, and the original is here, from Mr. R. J. Acheson. That may be read into the record at this point, and printed in the record at this point. The witness and his counsel will be provided a copy of it.

The Chair would like to conclude this morning's session, and we may resume further interrogation on this particular transaction immediately after recess.

Senator MUNDT. Mr. Chairman, I would like to have the attention of Mr. Griffin.

The CHAIRMAN. Let us have order, please.

Senator MUNDT. I have a responsibility to impose on the good attorney during the lunch hour.

Your client volunteered the statement on occasion that he has a bad memory, and he has agreed to try to call Seattle and get the breakdown of dues during the lunch hour. Will you undertake the responsibility to remind Mr. Brewster to do that?

Mr. GRIFFIN. Yes, sir; we will do that.

Senator MUNDT. I thought maybe it slipped your mind, and I wanted to have that.

Mr. BREWSTER. Thank you, Senator.

The CHAIRMAN. The affidavit will be read into the record after lunch.

We will now stand in recess until 2 o'clock.

(Members present at this point: The chairman, and Senator Mundt.)

(Whereupon, at 12:45 p. m., the committee recessed, to reconvene at 2 p. m., the same day.)

AFTERNOON SESSION

(The hearing was resumed at 2 p. m., Senator John L. McClellan, chairman, presiding.)

The CHAIRMAN. The committee will be in order.

(Present at the convening of the hearing were Senators McClellan and Goldwater.)

The CHAIRMAN. Mr. Brewster, will you come forward, please?

TESTIMONY OF FRANK W. BREWSTER, ACCOMPANIED BY HIS COUNSEL, JERRY N. GRIFFIN AND JOHN K. PICKENS—Resumed

The CHAIRMAN. Proceed, Mr. Counsel.

Mr. KENNEDY. We were discussing this morning, Mr. Chairman, about the loan that was made to this company up in Canada and we have an affidavit that has not been read in, of Mr. R. J. Acheson. Do you want to read that affidavit in at this time?

The CHAIRMAN. I will let counsel read it in.

Mr. KENNEDY. The assistant counsel may read it in.

Mr. GRIFFIN. If you want to put it in, we will stipulate it is true.

The CHAIRMAN. If it is stipulated to be true by the witness, the affidavit may be printed in the record at this point and we will proceed to interrogate him about it without reading.

COUNTY OF KING,

State of Washington, ss:

I, R. J. Acheson, residing at 8751 Overlake Drive, Bellevue, Wash., having been duly sworn on my oath do voluntarily depose and say that:

In June or July of 1955, I got a call from Frank Brewster, asking that I come up to his office in the Western Conference of Teamsters' Building, Seattle. Frank wanted to know if I knew Coley Watson. I said I knew he was running a trucking outfit in Canada, Pacific Inland Express, Ltd.

Frank told me that 2 or 3 truck outfits had gone broke in Canada, recently. He said that Pacific Inland Express (known as PIX) was one of the largest and they were about to be put into receivership. He said the Western Conference of Teamsters wanted to help PIX. That the teamsters had lent Pacific Freight Lines some \$250,000 a couple of years ago to keep them alive.

I understood they got all their money back in a few months. Frank said they wanted to do the same thing up there for PIX. He said the company needed \$50,000 badly, and they didn't know whether Watson was capable of running the company.

They didn't want the teamsters to have any part of it. Then Frank said: "I have been thinking about this for several months and I suddenly think I struck lightening; we can trust you, and I want you to take this \$50,000 and put it in the bank for PIX." Brewster handed me a check. I had him make out another check and this check was given to my attorney, E. G. Dobrin of Bogle, Bogle and Gates, as trustee and they put the money into PIX.

It was deposited in the Canadian Bank of Commerce, Vancouver, British Columbia. Frank then called Coley Watson into the office. I told him I would go up to Vancouver, and take a look, and take my auditor with me.

When we got to Vancouver, the auditor gave the books a fleeting look and told me the company was in terrible shape. I went to Frank, and I told him the western would be putting money down a rathole to pull PIX out, and he said to me: "Well, we can't afford to let PIX go broke. We spent a lot of money organizing them; we are willing to put more money in there."

I told him I would look into it some more. I also told him that if he was going to put any more money in it, he had better take control of the stock at PIX and he told me: "We can't take any of the stock."

I ascertained that James Richardson & Sons in Winnipeg, who are investment bankers, brokers and grain dealers, wanted to get out. They had been sold a bill of goods by this guy Watson, and had put \$300,000 in PIX. They took

\$200,000 of preferred stock and mortgages of \$90,000, or something. I went back to Frank and I told him if he would put Watson in there, he would have to take out Richardson's crowd; otherwise, they were going to liquidate the company.

They also had a deal for conversion of the preferred stock to common stock, if the truckline did not meet its obligations by a certain date. I found out Richardson was willing to sell for 50 cents on the dollar, \$198,000 Canadian or \$200,000 American.

I went back to the teamsters and told them the story, and they agreed to take Richardson out. Two checks from the teamsters, each for \$100,000 were drawn to Sam Bassett, trustee, \$100,000 and \$100,000; a third check for \$5,000 was drawn to Bassett.

All of these checks were endorsed to Edward G. Dobrin, trustee, and with the funds I purchased the interest of Richardsons, as well as the \$5,000 interest of Rod McDonald, a Vancouver, British Columbia, attorney,

When I went back to the teamsters, I had 60 percent of the common stock, all the preferred stock, and \$90,000 in mortgages. I took the whole deal up with Brewster and I said, "What do I do with the stock?"

Brewster called in John Sweeney and he said: "There isn't a person in the teamsters union who can have one dime of this stock, but, Bob, if you can pull this company out and keep this company going, and we get our money back, the common stock is yours."

This would mean that I would own 60 percent of PIX. I took active control of the company in July 1955. I thought Watson could run it, but he got in deeper and deeper and pretty soon he was up against the wall again.

I told him he couldn't spend another dime without my approval. He said the company was broke unless they got \$140,000. I surveyed the equipment and found they had not mortgaged \$175,000 worth of salable trucks. I submitted the deal to Brewster and I told him this was not a loan to PIX, but a clean-cut mortgage on equipment.

He agreed to the mortgage for \$140,000 payable in equal monthly installments at 6 percent interest, the mortgage to go to Sam Bassett, trustee. Everything was fine until April 1956. They had to shut down PIX operations during the spring thaw, and they lost \$29,000 that month.

Watson said they needed \$45,000 and I called Frank and told him we needed the money, and said we would issue some preferred stock as security. He said it was all right, and we received the check. I immediately removed Watson and put in a new team on September 1, 1956; since then the company has made money.

Our auditors say that the net, after depreciation, for 1957, would be about \$86,000 plus \$100,000 depreciation. I have talked to Pacific Intermountain Express and Consolidated Truck Lines about buying the company; PIE have said they are not interested, but Consolidated still is.

I told Consolidated they could buy it if they would just take the Teamsters out. This would involve \$440,000 less the money which has been put back on the mortgage. I don't care if I make a dime on the deal.

I announced several years ago that I was going to build a \$3 million combined passenger and cargo ship to operate between Seattle and Canada. My company was the only company in the United States which loaded and unloaded ships with teamsters.

I made an announcement that I was going to build a ship, and it was widely reported in the local press. I ran into Dave Beck one day at lunch, and asked Beck where I might get the money for the ship. Beck told me the union had \$25 million it wanted to lend out and why shouldn't the teamsters finance the ship?

I entered into detailed correspondence with Beck on the problem, but nothing ever came of it. By late last year, however, I had been able to get an insurance company to put up the bulk of the money needed, but I still needed \$600,000 in equity capital. I got the shipyard to take its profit in class B stock.

I found some other money, but I was still short approximately \$300,000. I asked Beck again if he would loan me the money for this portion of the ship and Beck said he would take it up with the teamsters executive board, but I had never heard from him since.

Finally, I called Frank Brewster and told him: "Frank, you have something to protect in this operation, why can't the union loan me \$300,000?" Brewster said he would take the matter up with the directors of the western conference,

and about 3 weeks ago he called me and told me the union would go along and loan me \$250,000.

In return for this loan the union will be issued class B common stock, at 5 percent interest, redeemable by me any time.

I solemnly swear that the foregoing statement dated this 10th day of March 1957, consisting of three pages, has been read by me, and it is true and correct to the best of my knowledge and belief.

R. J. ACHESON.

Subscribed and sworn to me this date, March 10, 1957.

WILLIAM K. RYAN,

Notary Public.

The CHAIRMAN. The affidavit is the one that the Chair referred to this morning, of Mr. R. H. Acheson, sworn to on the 10th day of March 1957, before William K. Ryan, notary public. It was taken in the county of King, State of Washington.

All right, proceed.

Mr. KENNEDY. I am just going to try to trace this deal through with you again, Mr. Brewster, if we may. Now, I notice in the affidavit that the first thing after Mr. Acheson was brought in on the deal, he reported back to you that the deal looked like "pouring money down a rathole."

You felt that you could not allow this company to go broke. This is about 10 lines up from the bottom on the first page. He said it was in terrible shape.

Mr. BREWSTER. I remember the conversation. As I remember it, he didn't use this language of "pouring it down a rathole." I think that he said it looked black, but I was under the impression after I got through talking to him that it could be saved, and I wanted to save it or invest a little more money to save what we already had in there, and that was my intent and purpose.

Mr. KENNEDY. When you first put money in it, what did you receive as collateral for that money?

Mr. BREWSTER. I am not positive what we did receive at that time. As I say that was done with the attorney, and I think that we got a mortgage on equipment or something like that. I am not positive what we got in the first part of it.

Mr. KENNEDY. Do you know what arrangement with you was made at all when you put the money up?

Mr. BREWSTER. No, I don't.

Mr. KENNEDY. You do not remember what the collateral arrangement was for the first \$50,000?

Mr. BREWSTER. I don't know, sir. I presume it was a note on the company at that time, but I know that they were in dire need of some immediate assistance and on that portion of the money we probably took more or less of a gamble.

Mr. KENNEDY. Mr. Brewster, I do not wish to keep harping on this point, but if this is not a deal or arrangement that you, as the president of the Western Conference of Teamsters, would know about, what do you do as president of the Western Conference of Teamsters? What do you know, without being facetious about it?

Mr. BREWSTER. I tried to explain this morning that these deals I leave to the attorneys and the legal part of our organization and we hire people to do that.

Then, naturally, I take their word for what they did. I am not competent to make this kind of a deal and I do it through an attorney.

My big duties, and so forth, I think, probably where I might be of very great value, I believe so myself without any ego, is to go out and organize the job and get good wages and conditions and health and welfare and fringe issues, and so on.

But I think that probably on this part of it, I do not know.

Mr. KENNEDY. The lawyers or attorneys ordinarily would be employed to draw up papers, but as far as——

Mr. BREWSTER. We have an attorney to protect the interests of the western conference and we had our own attorney in it. I certainly have confidence in him and I thought that he did a good job and I still think he did.

Mr. KENNEDY. Somebody has to make the financial decisions. An attorney cannot do that, Mr. Brewster, and that should be your position as chairman.

Mr. BREWSTER. That was my position, but you are talking about two things here. You are talking about protection, and I think the protection of drawing it up is invested in the attorney.

Mr. KENNEDY. I am talking about the protection for the union members' dues.

Mr. BREWSTER. I know, the dues.

The CHAIRMAN. Let me ask you, Mr. Brewster, would you not make the decision as to whether the collateral offered was adequate? Would that not be your responsibility?

Mr. BREWSTER. I believe to a great degree it would be my final decision, but I would have to probably consult other people to make that decision.

The CHAIRMAN. There is no doubt about that. You would want to consult and take into account any information.

Mr. BREWSTER. My first impulse on this situation, I think I explained this morning, was to not back up too far in an organizational drive we are putting on in Canada and the positions of the men themselves.

I think that it worked out and we were lucky that it did work out, but I think that it was money well spent.

The CHAIRMAN. Now, in making those decisions, you take into account, or you have to have information as to the nature of the collateral and its value, and so forth, do you not?

Mr. BREWSTER. Yes, sir.

(At this point in the proceedings Senator Ives and Mundt entered the hearing room.)

The CHAIRMAN. As to your attorney, the principal service he renders after you make the decision and come to a meeting of the minds with those with whom you are having a transaction then he simply prepares those documents necessary for signature to put it in legal and binding form.

Is that not correct?

Mr. BREWSTER. That is possibly true, yes.

The CHAIRMAN. All right.

Mr. KENNEDY. Can you tell me this, Mr. Brewster: Who was going to end up having control of the company? Is it the old owners, Mr. Acheson, or the Western Conference of Teamsters?

Mr. BREWSTER. Well, I am sure that the latter is not going to end up in control.

Mr. KENNEDY. And the old owners were out, as I understand it.

Mr. BREWSTER. The old owners, I do not know whether they will still be in it or not when the thing gets in a position where they could be in it. I think that they still have stock and they will probably be in it for that amount of stock that they have.

Mr. KENNEDY. As I understand this affidavit, Mr. Brewster, they were to put up as collateral, or whatever term you want to use, 60 percent of the stock, is that right?

Mr. BREWSTER. I think that that was the figure.

Mr. KENNEDY. Now, when the loan is repaid, is that stock returned?

Mr. BREWSTER. I think Mr. Acheson has control of the stock or will have control.

Mr. KENNEDY. Would that not indicate, then, that it was a purchase of the stock rather than just a loan?

Mr. BREWSTER. I don't think it would be. I think that it is in this position: I think that I read this statement of Mr. Acheson and it is up for sale and he is trying to get it out. I don't know whether if he sold that, whether these old owners would have control over it or not. He made the statement here that:

the auditors say that the net after depreciation for 1947 would be about \$86,000 plus \$100,000 depreciation. I have talked to concerns—

and so forth, about selling.

I don't care if I make a dime on the deal.

Mr. KENNEDY. Let me ask you this: After all of this, if you get your money out, Mr. Acheson will end up owning the company, will he not, or 57 percent or 60 percent of the stock. Does he not end up, under that arrangement that you have made, owning the company?

Mr. BREWSTER. He might possibly do that.

Mr. KENNEDY. After the money is repaid to the Western Conference of Teamsters, if that is done, the stock is not returned to the company. You people still own the stock. He owns the stock?

Mr. BREWSTER. He will have to own the stock, yes, sir.

Mr. KENNEDY. That is a pretty good arrangement for him, is it?

Mr. BREWSTER. I think that I go back to this statement that he winds up with that he said:

I don't care if I make a dime on the deal.

Mr. KENNEDY. He might not care about it, but it is pretty good for him.

Mr. BREWSTER. As a statement in an affidavit, I think it is a pretty good statement.

Mr. KENNEDY. We have a letter here that throws a little light on it.

The CHAIRMAN. Mr. Brewster, the Chair hands you what purports to be a photostatic copy of a letter addressed to you from Mr. Acheson. Will you examine it, please, and identify it?

(The document was handed to the witness.)

The CHAIRMAN. Do you identify the letter?

Mr. BREWSTER. Yes, sir.

Mr. KENNEDY. I think this sort of summarizes what the picture was as of May 7, 1956.

Mr. BREWSTER. I think it does.

Mr. KENNEDY. We can read it in or just make it a part of the record.

MR. BREWSTER. We are satisfied to have it made a part of the record.
 The CHAIRMAN. It will be made a part of the record at this point.
 It will be printed in the record at this point.
 (The letter referred to follows:)

[Airmail, special delivery]

MAY 7, 1956.

Strictly personal.

Subject: PIX.

Mr. FRANK W. BREWSTER,

Care of the Town House, 2961 Wilshire Boulevard,

Los Angeles, Calif.

DEAR FRANK: Anne told me this letter might reach you Tuesday at the Town House.

I hate like the devil to have to write you this note telling you that PIX is in trouble.

As you know, we got our fingers in this pie as of July 1, 1955, and at the end of 6 months—December 31, 1955—we wound up with an operating profit of \$18,000 before depreciation. With depreciation of \$36,000, we were left with \$18,000 in the red which wasn't too bad.

The 3 months ending March 31, 1956, show an operating profit of \$25,125.15, less depreciation of \$28,009.86, or a loss of \$2,884.71, which isn't too bad except for the fact that the latter part of March and all through April the restrictions not only in the prairie Provinces of Canada but also our States of Idaho and Montana make it look as though the loss will be somewhere around \$30,000.

I had made arrangements with the Canadian Bank of Commerce to carry a \$50,000 overdraft as against accounts receivable. However, this has now hit \$90,000, due primarily to the necessity of buying approximately \$40,000 worth of licenses the first part of April.

The bank has gone along, doing a lot of hollering, but today wrote PIX officially telling them this balance must be reduced forthwith, which means PIX needs a minimum of \$45,000 right away.

In order to protect your investment, would you or could you let us have that amount, and I will issue the necessary preferred stock to cover?

You know, at first I told you I thought you were putting your money down a rat-hole, but somehow or other I feel it can be pulled out of the hole this year, and if you think it wise, would you call me and let me know upon receipt of this letter?

Incidentally, I have PIE nibbling at the possibility of buying the outfit to compete with Consolidated. I am also toying with the idea of, possibly, making a public issue and putting PIX on its feet financially, thereby protecting your interests, all of which will take a few months to put together, if it can be put together.

One last item. As soon as I hear from you, I am going to Vancouver and raise h—, with the possibility of having to clean house, and will keep you advised as to what progress (if any) I make.

Regards.

Yours very truly,

R. E. ACHESON.

The CHAIRMAN. At this point you may proceed to interrogate him about it.

MR. KENNEDY. Just on another matter in connection with this, on whether you have made any similar loans to any other companies, are there any other than the Blackball Express Co.?

MR. BREWSTER. No. There hasn't been as far as the western conference is concerned.

MR. KENNEDY. What about the Pacific Freight Line?

MR. BREWSTER. That was an operation in California. There was a loan made by the unions in that area to keep the freight line in operation during the strike about 3 years ago or a little less. That was a deal that was made without myself having anything to do with it and it was made by the people in California.

Mr. KENNEDY. That was for \$250,000 also?

Mr. BREWSTER. I think that it might have been that. I don't know the exact figure. I notice in this letter or affidavit he said that, but I presume that it was probably close to that. It was the Pacific Freight Line and we had to have a company to haul freight, and so forth, and it helped our strike and so they loaned him that and I am positive it has all been paid back.

Mr. KENNEDY. Is there not a provision in the international constitution about loaning money that the maximum that you should loan is \$50,000?

Mr. BREWSTER. There is a portion of the constitution that refers to the international, yes.

Mr. KENNEDY. It says, "Any union, the maximum that they can purchase in bonds is \$50,000."

Mr. BREWSTER. I don't know whether that referred to local unions or not.

Mr. KENNEDY. It says on page 38, article 11:

Not more than \$50,000 be invested in bonds of any one corporation, except when the investment is in United States Government, State, county, or municipal bonds.

The CHAIRMAN. Is there any authority in the constitution for buying stocks?

Mr. BREWSTER. I don't think it refers to all of the unions, and I don't see any language in here that would refer to them.

Mr. KENNEDY. You can loan as much as you want, and there is no limitation?

Mr. BREWSTER. I don't believe that there is a limit on it. I don't think that there is.

Mr. KENNEDY. I understood there was a provision in the Western Conference of Teamsters constitution that states that anything that the international states applies to the Western Conference of Teamsters. Is there not such a provision?

Mr. BREWSTER. That is where there is a conflict, I believe, in the bylaws. On page 50, section 7, the latter part of it says that:

They shall function under the rules and bylaws laid down by the general executive board. The international constitution shall supercede the conference's bylaws in the event of conflict.

Mr. KENNEDY. You do not feel that this \$50,000 provision applies?

Mr. BREWSTER. I don't myself, and it might be construed that it would. But I never looked at it in that manner.

Mr. KENNEDY. Was Mr. Acheson on the Washington State Trucking Association's negotiating committee? We had some discussion about that this morning.

Mr. BREWSTER. He was on the local negotiating committee. You asked me the question, I think, if he was on the western conference's negotiating committee this morning.

Mr. KENNEDY. This is on the local level.

Br. BREWSTER. On the local level; yes, sir. At the time I was talking to him, he was not on the negotiating committee of the organization that would be on the other side of the fence.

Senator GOLDWATER. Mr. Chairman, could I ask a question? Mr. Brewster, in this affidavit of Mr. Acheson, about half way down on the first page, it says, "Brewster handed me a check and I had him

make another check and this check was given to my attorney." What was the amount of that other check?

Mr. BREWSTER. I believe it was \$100,000.

Senator GOLDWATER. Is that reflected in the total of \$440,000?

Mr. BREWSTER. I believe it all is reflected in that.

Senator GOLDWATER. Do you not know?

Mr. BREWSTER. I think it is.

Senator GOLDWATER. Can you not say "yes" or "no"?

Mr. BREWSTER. Yes; I would say it is.

Senator GOLDWATER. Fine. Do not say you think so. What was that \$100,000 for?

Mr. BREWSTER. It was put in there to keep the company running.

Senator GOLDWATER. It was given to an attorney.

Mr. BREWSTER. An attorney to go and make the deal; yes, sir.

Senator GOLDWATER. Was that the attorney's fee for making the deal?

Mr. BREWSTER. No, sir.

Senator GOLDWATER. Where did it go, into the company?

Mr. BREWSTER. It went into the company.

Senator GOLDWATER. Let us see if it did. On the second page, Mr. Acheson testifies to the fact that two checks for \$100,000 each were drawn and given to Sam Bassett, and the third check for \$50,000 was drawn to Bassett. That \$250,000 went into the business, did it not?

Mr. BREWSTER. Yes, sir.

Senator GOLDWATER. Now, where did the \$100,000 go that you gave to Dobrin?

Mr. BREWSTER. It still went into the business.

Senator GOLDWATER. But that \$100,000 is not in the total of \$450,000. So if we take your word that the \$100,000 went into the business, what you did was invest \$540,000 instead of \$440,000; is that correct?

Mr. BREWSTER. I don't think the figures come out that way.

Senator GOLDWATER. You ought to know. You were the head of this organization. I just want to remind you that in 1955 you reported an income of about \$1,600,000 and expenses of around \$800,000. I do not care if you just get in there once a month, I think that the head of an organization would know where over 50 percent of the remaining capital went in 1 year.

It is not just weekend petty cash. What is the \$100,000 for that you gave to Mr. Dobrin?

Mr. BREWSTER. It went in for the same purpose of running the company.

Senator GOLDWATER. Then you put \$540,000 into it instead of \$440,000. We can total \$440,000 and that is easy. You have got \$50,000 that you gave to Mr. Acheson. That is the original check. Then, you have \$200,000 made out in 2 checks, plus one of \$5,000 and then you have \$140,000 that you gave against some equipment, \$175,000 worth of salable equipment.

Then, you authorized the sale of \$45,000 worth of preferred stock, which totaled \$440,000. You have not accounted for the \$100,000 that you gave the attorney.

Mr. BREWSTER. Well, the books will show. I don't know about it.

Senator GOLDWATER. You should know, Mr. Brewster. I cannot sit here and accept that. I can accept a lot of your confusion about

smaller amounts but I cannot accept the president of an organization coming in here and telling me that he does not know where over half a million dollars went.

Mr. BREWSTER. I would say it was \$440,000.

Senator GOLDWATER. If you say \$100,000 was made out in another check, then \$540,000 is what we are talking about.

Mr. BREWSTER. I say that check was included in the \$440,000.

Senator GOLDWATER. It cannot be. The arithmetic does not come out that way. You add it up yourself and see what you get.

Mr. BREWSTER. Well, this is the way I read this affidavit:

I have been thinking about this for several months, and I suddenly think that I struck lightning. We can trust you and I want you to take \$50,000 and put it in the bank of the Pacific Intermountain Express.

Senator GOLDWATER. That is the \$50,000 and we agreed to that.

Mr. BREWSTER. Yes, sir.

Senator GOLDWATER. Now, you go on and read what you said further.

Mr. BREWSTER—

And I had him make out another check and this check was given to the attorney, E. G. Dobrin of Bogle, Bogle & Gates, as trustee and they put the money in Pacific Intermountain Express.

Senator GOLDWATER. You say that was a check for \$100,000. What is the \$100,000 for? It does not go into the operation of the company.

Mr. BREWSTER. I think it is all the same check.

Senator GOLDWATER. You mean \$100,000 is in the \$50,000 check?

Mr. BREWSTER. The \$50,000 check—

Senator GOLDWATER. You have testified that \$50,000 was a check that you wrote to go in the business and we are not arguing about that. I want to know what the next check you report as having made out went for.

Was it given to Mr. Dobrin for attorney's fees?

Mr. BREWSTER. No, sir.

Senator GOLDWATER. Was it given for getting this deal across?

Mr. BREWSTER. No, sir.

Senator GOLDWATER. Then, you put \$540,000 in the business instead of \$440,000.

Mr. BREWSTER. I believe—and I haven't any of the records here and I have to refer to records.

Senator GOLDWATER. If you had a small amount, I might agree with you, but this is over 50 percent of what you had left out of the \$1,600,000 in 1955. Now, let us not kid ourselves. You know where it went and what it went for and why do you not tell us?

Mr. BREWSTER. I don't think, and I am positive that there wasn't another \$100,000 that went for anything. I would like to ask—

Senator GOLDWATER. You testified, sir, that you wrote out a check for \$100,000 and gave it to Mr. Dobrin. Now, what was the \$100,000 for?—\$100,000 is not something that you just write out every day, it is a lot of money. It seems to me that the president of the western conference would know what it went for.

It comes out \$540,000 the way I add it up.

Mr. BREWSTER. Could I ask, please, to refresh my memory even of these amounts, because they came at different times?

Senator GOLDWATER. What is that?

Mr. BREWSTER. Can I ask to refresh my memory because these checks were not made out at the same time?

Senator GOLDWATER. They were. You said,

I wanted to take this check for \$50,000 and put it in the bank for Pacific Inter-mountain Express and Brewster handed me a check. I had him make another check and this check was given to my attorney.

Did Mr. Acheson have you make out that check?

Mr. BREWSTER. I am not sure and I don't think that he used the first check.

Senator GOLDWATER. If he did not use the first check, where did it go? Did he tear it up or give it back to you, and what did he do with it? All I want to know is what the \$100,000 was for.

Mr. BREWSTER. I am trying to find it, too, Senator, and I would like to ask——

Senator GOLDWATER. You are the one who injected it. I did not make that figure up. I asked what the other check was and you told me it was \$100,000.

Mr. BREWSTER. Could I do this, if you want to get it——

Senator GOLDWATER. I think that you know what that \$100,000 went for now, did it go into the business?

Mr. BREWSTER. Everything that I gave to them went into the business.

Senator GOLDWATER. So we are talking about \$540,000.

Mr. BREWSTER. Would you please—can I have the privilege of asking a question?

Senator GOLDWATER. You can answer me yes or no on that, sir.

Mr. BREWSTER. I don't think it was \$540,000.

Senator GOLDWATER. Add it up and see what you get.

Mr. BREWSTER. Could I ask this question and I think that we can get——

Senator GOLDWATER. I have asked you a question. Now, I will play a game with you. You can ask me a question if you will answer me.

Mr. BREWSTER. I want to ask the auditors that you have what they found and I think it is \$440,000.

Senator GOLDWATER. Are these your auditors?

Mr. BREWSTER. They are yours, but won't you take their word for it?

Senator GOLDWATER. I will ask them if they get the same addition.

Mr. KENNEDY. It is \$440,000.

Senator GOLDWATER. You did not put the \$100,000 down?

Mr. BREWSTER. This can be confused but I know there is \$440,000 and I think that is the figure that you want.

Senator GOLDWATER. Where is the \$100,000?

Mr. BREWSTER. There isn't another \$100,000.

Senator GOLDWATER. You just said there was \$100,000.

Mr. BREWSTER. If I said that, I didn't understand you and I am mistaken.

Senator GOLDWATER. You are mistaken in \$100,000? Let me start over again. You said that testimony is that another check was made out, and this check was given to an attorney, Mr. Dobrin. I asked you what the check was and you said \$100,000 and now how much was the check?

Mr. BREWSTER. I do not know of this check. I remember at the time that first we put in \$50,000 and then another \$100,000 and that

is where my memory got mixed up in this type of a statement. I asked the auditors that looked at the books, and there is \$440,000 and so the other was just a mistake in saying what \$100,000 you referred to.

Senator GOLDWATER. I am referring to the \$100,000 that you referred to.

Mr. BREWSTER. There isn't any other \$100,000. It is a myth.

Senator GOLDWATER. The first statement you made was in error?

Mr. BREWSTER. I misunderstood your question.

Senator GOLDWATER. I was only reading the testimony that you made out another check and the check was given to an attorney, and now, was Mr. Acheson wrong in testifying that another check was made out?

Mr. BREWSTER. If all of these figures come out the way you say it does, he was wrong in making the statement.

Senator GOLDWATER. Now to what were your attorney's fees that the western conference pays in a year?

Mr. BREWSTER. The attorney's fees, retainer, you mean?

Senator GOLDWATER. Yes.

Mr. BREWSTER. We have a retainer of \$10,000 a year.

Senator GOLDWATER. To how many lawyers?

Mr. BREWSTER. We have only one.

Senator GOLDWATER. Just one lawyer?

Mr. BREWSTER. Yes, sir.

Senator GOLDWATER. Did this one lawyer handle this whole deal for the \$10,000, or was he paid extra?

Mr. BREWSTER. On work of this type he sends in a bill.

Senator GOLDWATER. How much was the bill; do you remember?

Mr. BREWSTER. No, sir; I don't.

Senator GOLDWATER. Was it \$10,000?

Mr. BREWSTER. Oh, no.

Senator GOLDWATER. \$5,000?

Mr. BREWSTER. He works cheaper than any lawyer I know.

Senator GOLDWATER. Well, I am not a lawyer, but I would not work for your outfit cheaper than any other lawyer, I can tell you that.

Mr. BREWSTER. We wouldn't hire you.

Senator GOLDWATER. I know you would not. We disagree too fundamentally.

Now, I want to ask you another question. Do you think it is proper for labor organizations to get into business that are competitive with people they have made collective-bargaining agreements with?

Mr. BREWSTER. In this case I think circumstances sometimes alter general opinions. Ninety-nine percent, I would say no. But there also might be that one exception, and this is one of those exceptions, and this morning I think that I explained it.

Senator GOLDWATER. Let me ask you a philosophical question: Do you think it is proper for labor unions to be in competition with people that they are doing collective bargaining with in any instance?

Mr. BREWSTER. No; I don't.

Senator GOLDWATER. I agree with you. Do you think that legislation should be considered that would prevent labor unions from becoming competitive in the economic fields in which they work with management.

Mr. BREWSTER. Generally, I would say no.

Senator GOLDWATER. But you just agreed that they should not do it.

Mr. BREWSTER. Yes, sir; I do. I agreed to that. The same thing goes, that I think in isolated cases where something might prevail such as this situation here. I think that there should be some exception made on that.

Senator GOLDWATER. Can you not see the dangers that could accrue to this economy if labor organizations, who have now grown to rather sizable proportions—and I do not know exactly what the welfare funds they have to invest total, but I know it is over \$4 billion, with annual income from dues alone in the neighborhood of half a billion dollars—if the labor movement begins to get into the management field and removes from the management field, management itself, and we wind up in this economy of ours with only one segment?

Mr. BREWSTER. My own personal opinion is, I agree with you. I think labor has got a job to do in the field of labor and not in the business field of this country.

Senator GOLDWATER. Mr. Brewster, I could not agree with you more. I am glad to hear you say that.

Mr. BREWSTER. I am glad that you and I agree on that.

Senator GOLDWATER. We can agree on that all day.

Mr. KENNEDY. Mr. Chairman, this morning we had a witness that we called to be a short witness, and he had been out sightseeing instead of being here, and I was wondering if we could call him now for just a minute. That is Mr. Sylvester.

The CHAIRMAN. Mr. Sylvester, will you come around, please?

You do solemnly swear that the evidence you shall give before this Senate select committee shall be the truth, the whole truth, and nothing but the truth, so help you God?

Mr. SYLVESTER. I do.

TESTIMONY OF HOWARD SYLVESTER

The CHAIRMAN. Please state your name and place of residence and your business or occupation.

Mr. SYLVESTER. My name is Howard Sylvester, and I live in Seattle, Wash., and I am in the insurance and public-relations business.

The CHAIRMAN. Mr. Sylvester, have you discussed your testimony with the members of the staff, and you know generally the line of questioning to expect?

Mr. SYLVESTER. Yes, sir.

The CHAIRMAN. Do you know the rule of the committee that you are entitled to have counsel if you desire? Do you waive counsel?

Mr. SYLVESTER. I waive counsel.

The CHAIRMAN. All right, proceed.

Mr. KENNEDY. Mr. Sylvester, would you tell the committee a little bit of your background and what your business is at the present time and where you live?

Mr. SYLVESTER. I live in Seattle, Wash., and I have for 25 or 26 years. I have been a licensed insurance man since May 1, 1935. I have a reasonable amount of fire insurance on the books now.

Mr. KENNEDY. Now, during the period 1955 or 1956—and you will have the exact date—did you have a conversation with Mr. Frank Brewster regarding the right-to-work initiative?

Mr. SYLVESTER. Yes, sir; I did. A year ago last month—I believe it was the middle of February—and I discussed handling the cam-

paign in the State of Washington against a proposed right-to-work endeavor.

Mr. KENNEDY. At that time was your position going to be one of gathering together the various forces in the community to try to interest them in opposing this right-to-work initiative?

Mr. SYLVESTER. Yes, sir.

Mr. KENNEDY. Now, Mr. Sylvester, did you go out then and attempt to organize a campaign?

Mr. SYLVESTER. I immediately set out to get a large group of business people and others as a cross section of our population in the State to serve on a citizens committee. We called it "The Citizens Committee for the Preservation of Payrolls."

Mr. KENNEDY. The Citizens Committee for the Preservation of Payrolls?

Mr. SYLVESTER. Yes, sir.

Mr. KENNEDY. Now, did you receive some donations from various individuals and from various other labor organizations other than the teamsters?

Mr. SYLVESTER. I received a check for \$750 from the Yakima Central Labor Council and was instructed by the teamsters to return it, which I did.

Mr. KENNEDY. What was the reason for that, or who first instructed you to return the check?

Mr. SYLVESTER. Mr. John J. Sweeney, secretary-treasurer of the western conference.

Mr. KENNEDY. For what reason did he instruct you to return the check?

Mr. SYLVESTER. As I recall, I kept the check for a day or two because he was out of town as was Mr. Brewster. Then, I called Sweeney to notify him of it, and I told him that numerous others had volunteered to make a donation to this Citizens Committee for the Preservation of Payrolls.

He said, "No, Brewster wanted that check mailed back." He said they wanted to control all finances of the committee and it would preclude a possibility of a lawsuit if somebody felt their funds were not being properly used.

Mr. KENNEDY. Did he say anything at that time, Mr. Sweeney, at that time or any other time, about the fact that this might be a political weapon that the teamsters would be interested in using if the right-to-work initiative was defeated?

Mr. SYLVESTER. Mr. Sweeney made it a point that there was evidence in the State of Washington that this big guy began particular effort to defeat what then became known as initiative 198 was giving them more influence or they could use more influence by being successful in the State of Washington to defeat initiative 198.

Mr. KENNEDY. Did Mr. Sweeney ever express to you at a later time that Brewster had gotten "mad as hell" about the \$750 check?

Mr. SYLVESTER. Whether he said "mad as hell" I can't honestly state, but he said he was "touchy as the dickens" about it and not to bother him any more. You can well relish the position I was in. I felt when they engaged me along in February that my job was to get as much volunteer help to defeat what later became initiative 198, that was the number they gave it, and also to get as much money from

various people through the State who I felt also wanted to defeat it and would readily submit funds, \$25 or \$50 or \$100. Many expressed themselves as willing to do it.

And so, periodically, I would phone Sweeney because Mr. Brewster was out of town, and I would say, "John, this thing is going." He didn't complain about the money I was spending, and I would entertain people, and he just said this thing is getting out of line and we are spending much more money than the original \$600,000 that he told me they were prepared to spend.

MR. KENNEDY. Did he say anything then about the teamsters, that if all the money came from the teamsters they would be a great political power in the State?

MR. SYLVESTER. I can't honestly say "Yes" to that. There was a generalization and he said, "We will have the candidates coming around this fall and it will put us in an influential position."

MR. KENNEDY. If the money to defeat the initiative comes from the teamsters?

MR. SYLVESTER. It was my understanding and every check that I received myself was on Western Conference of Teamsters.

MR. KENNEDY. I understand that. When you were returning this check or any other check, did Mr. Sweeney ever express to you the fact that Brewster did not want any other checks in this because he wanted the credit for defeating this initiative 198 to go to the teamsters?

MR. SYLVESTER. I would say "yes" on that question. I would answer it "yes."

MR. KENNEDY. You express it in your own words rather than my words. What did Mr. Sweeney say to you about that?

MR. SYLVESTER. That they wanted to control this committee completely.

MR. KENNEDY. Did he say anything again, or why did he say that they wanted to control the committee for the defeat of initiative 198?

MR. SYLVESTER. Well, it would place them in a dominant position in our State, particularly in the union field. There is a division between the AFL and the teamsters; there is considerable friction and animosity. Brewster and Sweeney won't talk to the president of our AFL, and that is the only way I can explain it. They have their own committee, and the teamsters have the citizens committee.

I hope I answered it, sir, if I understand it right.

MR. KENNEDY. We will go on a little bit. Did you have a dispute with Mr. Brewster or the teamster organization regarding your fee?

MR. SYLVESTER. Yes, sir.

MR. KENNEDY. Now, you had some correspondence, did you not, indicating what the fee should be or might be?

MR. SYLVESTER. I requested a letter of designation or authority from the secretary-treasurer of the western conference. That would be Mr. John Sweeney. I don't think that I received it the very day I asked for it.

It seems that I came back a couple of days later and Sweeney said, "Here's the letter, Sylvester." and in the letter he designated me as secretary of the citizens committee and said—or he requested in the letter that the bearer get all necessary help.

I was to show that to the various business agents throughout the State when I was going around.

Mr. KENNEDY. Did you have a dispute with the teamsters, certain officials in the teamsters, regarding your fee after this initiative was defeated?

Mr. SYLVESTER. Yes, sir.

Mr. KENNEDY. And did you expect that, in addition to your salary, you were supposed to get a bonus for the work that you had done?

Mr. SYLVESTER. We referred to it as a bonus or a fee. The first day I met Mr. Sweeney—

Mr. KENNEDY. You had expected to get that?

Mr. SYLVESTER. I expected and I was offered \$1,800 as a settlement from Mr. Brewster as late as, I think, 4 weeks ago. He had his secretary call me to come down there and he said, "Sylvester, bring your attorney because we will have an attorney."

Mr. KENNEDY. You thought that you deserved \$10,000, is that right?

Mr. SYLVESTER. Exactly.

Mr. KENNEDY. Now, you had some of these documents in your possession and was your office broken into?

Mr. SYLVESTER. The office in room—

Mr. KENNEDY. After the initiative 198 had been defeated and you had this dispute with the teamsters, was your office broken into at that time?

Mr. SYLVESTER. Yes, sir.

Mr. KENNEDY. Now, what occurred?

Mr. SYLVESTER. On November 13, I went up to the Teamsters' Hall, hoping to see Mr. Brewster. I submitted two statements to Mr. McDonald who I would identify as the auditor or bookkeeper and the man who every Friday gave me a weekly check.

I brought two statements up, one calling for \$3,514.20 which was termination pay for the personnel I had on the citizens committee which took care of the Spokane office, and took care of the Seattle office.

So there was a statement for \$3,514.20, and then on the identical type of stationery, I submitted a fee calling for \$10,000. I handed it to Mr. McDonald and he went upstairs, and as I recall he said, "Sylvester, come back right after lunch and I will have your check."

I came back and received a check for \$3,514.20 and this is a photostatic copy of it. That took care of the closing statements, the office and supplies.

Mr. KENNEDY. I do not want to get into every detail about this, and all I want to do is just have you answer my questions about it.

Did you receive a salary as you went along, and you received a salary for the work you did, and then there was a dispute between you and the teamsters: is that right?

Mr. SYLVESTER. Right.

Mr. KENNEDY. About certain other moneys that you felt that you were due, and they felt were not due you, is that right?

Mr. SYLVESTER. Correct.

Mr. KENNEDY. That is all I want to establish. Now, during this period of time, was your office broken into? Would you answer the question?

Mr. SYLVESTER. The day after this statement was issued I came back to the office around 3:30 or 4 o'clock and my secretary was standing there in the office alongside of a phone that was on the floor and she said, "Isn't this awful? Men from the teamsters promotional league came in and I asked them not to take anything until they discussed it or reviewed it with you and they stripped the office of everything."

Mr. KENNEDY. Did they go through your files at that time?

Mr. SYLVESTER. They took everything. The office was absolutely bare and she didn't have a chair to sit on. They took my insurance license and my real-estate license and all of my personal correspondence of every type and description.

Senator MUNDT. Did you not swear out a warrant to have them arrested?

Mr. SYLVESTER. No, I did not. It was this way: They didn't break the door. They came in and brushed by her and then took things. I phoned up there and I told them that there was going to be some police or legal action.

Mr. KENNEDY. You phoned up where?

Mr. SYLVESTER. I phoned up there.

Mr. KENNEDY. Up where?

Mr. SYLVESTER. To the teamsters' office.

Mr. KENNEDY. Whom did you talk to?

Mr. SYLVESTER. I talked to McDonald.

Mr. KENNEDY. What did you tell him?

Mr. SYLVESTER. I told him to the best of my knowledge what happened and what I just told you. He said, "I'm sorry it happened, but neither Mr. Brewster nor anybody around is available right now." I said, "I want that back." And about a week later I got all of my personal things back excepting the one letter, the letter from Mr. Sweeney, designating me as executive secretary. They stole that.

Senator MUNDT. Then they broke into your office by daylight? The door was open and they did not break down the door, but they came in and brushed past your secretary in the middle of the afternoon and stripped your office?

Mr. SYLVESTER. Over her protests.

Senator MUNDT. And took things out of your files?

Mr. SYLVESTER. Took the files and all.

Senator MUNDT. Took the files and all?

Mr. SYLVESTER. Yes, sir.

Senator MUNDT. And took the secretary's chair?

Mr. SYLVESTER. Yes, sir.

Senator MUNDT. And took the licenses?

Mr. SYLVESTER. Yes, sir.

Senator MUNDT. Took your typewriter?

Mr. SYLVESTER. Everything.

Senator MUNDT. The typewriter?

Mr. SYLVESTER. Yes, sir. I wish to make it clear that they supplied the bare basic things for the office. They were entitled to take that but not my personal files and correspondence from various people throughout the State and all of my personal and legal matters and dailies from my insurance policies, even.

Senator MUNDT. Was this the equipment they had supplied? Did it belong to them?

Mr. SYLVESTER. Yes, sir.

Senator MUNDT. So that what they actually took from you were your personal files?

Mr. SYLVESTER. And the letter from Mr. Sweeney.

Senator MUNDT. Your insurance ledgers?

Mr. SYLVESTER. Yes, sir.

Senator MUNDT. And your personal private business?

Mr. SYLVESTER. Yes, sir.

Senator MUNDT. And your account books?

Mr. SYLVESTER. Yes, sir.

Senator MUNDT. Well, if they broke into your office or came into your office without breaking in and forcefully removed these files that you need for your business records, you certainly had a right to swear out a warrant to have them arrested, it would seem to me, even though the furniture they repossessed might have belonged to them.

Did you notify the police?

Mr. SYLVESTER. No, I was attempting to get it back and I felt that there would be an equitable understanding of some kind. I never got a chance to see Mr. Brewster until perhaps 4 weeks ago when he offered me \$1,800 as a settlement.

Senator MUNDT. For the material that they had taken?

Mr. SYLVESTER. No, my fee.

Senator MUNDT. Did they subsequently return your insurance ledgers and your files and your record books?

Mr. SYLVESTER. I went and got them from Mr. McDonald in the Teamsters' Building.

Senator MUNDT. What didn't you get, and what did they refuse to let you have?

Mr. SYLVESTER. I can't find the letter from Mr. Sweeney designating me as executive secretary and I had considerable literature relative to the right-to-work that I had built up, a library and they kept that.

Senator MUNDT. You think the important document that they were after and kept was the letter of designation; is that it?

Mr. SYLVESTER. I feel so.

Senator MUNDT. You are sure that it was in your file?

Mr. SYLVESTER. I am positive.

Senator MUNDT. When the file came back, it was gone?

Mr. SYLVESTER. That was one of the first things I looked for.

Senator MUNDT. I would not think the literature would be very important. You had defeated the initiative. That was a dead duck. The letter of designation, I can see, would have some very definite value to you, and there was a dispute as to whether or not you were to get a fee. Did that letter mention the fee you were to get?

Mr. SYLVESTER. No, sir.

Senator MUNDT. Did you have anything in writing from them at any time, any contract or any exchange of correspondence as to the fee you were going to receive?

Mr. SYLVESTER. Nothing in writing, sir.

Senator MUNDT. All your arrangements were entirely verbal?

Mr. SYLVESTER. Yes, sir.

Senator MUNDT. Then how would this letter of designation have any value to them or to you, either, if it did not mention a fee?

MR. SYLVESTER. I feel that it would be binding in that I was designated by the secretary-treasurer of the western conference as their executive secretary. I would feel that that, through the law of agency, would make me an agent of theirs.

SENATOR MUNDT. Do you mean if there was any dispute over whether or not you were actually appointed by them to do any work, that you had something in writing that would so specify; is that it?

MR. SYLVESTER. That would be my feeling. I think that was the importance of the letter.

THE CHAIRMAN. Any further questions?

MR. KENNEDY. I have finished.

THE CHAIRMAN. Senator Ives?

SENATOR IVES. I would like to find out what the vote was on this proposition he talked about.

It was voted on the last election, I take it. What was the vote? I understand it was carried.

MR. SYLVESTER. We defeated it.

SENATOR IVES. You defeated it?

MR. SYLVESTER. By a little better than 2 to 1, Senator. I do not recall the exact figures. It was a little better than 2 to 1.

SENATOR IVES. How much influence do you feel that you exercised in the matter of defeating it?

MR. SYLVESTER. I believe our citizens committee was very instrumental. We had a very effective committee. We all worked very hard, got wonderful assistance throughout the entire State, from a cross section of our citizenry, and I would say that we were a dominant factor in defeating the right to work.

SENATOR IVES. You never received any criticism, I take it, from the teamsters regarding the work you did; is that correct?

MR. SYLVESTER. Periodically, I phoned and asked Mr. Sweeney how he thought things were coming along. He said, "You are doing a good job, boy. Keep it up."

SENATOR IVES. It is very peculiar, then, that they would turn on you the way they did if you had not received criticism. What is the reason they did that to you? They must have had some reason for it.

MR. SYLVESTER. I am at a loss to explain it completely, because I cannot read their minds. But if there was disagreement or friction developed as soon as I submitted my statement of fee for \$10,000, they were highly aware that I was to get a fee or bonus, and have offered a partial settlement, that would be one thing that goes through my mind. But I cannot imagine where this large amount of money was spent, where they are going to chisel me down to \$1,800.

SENATOR IVES. Apparently you have the answer yourself, and I would like to know what the answer to it is.

MR. SYLVESTER. I am sorry; I do not know.

SENATOR MUNDT. Could you tell us, Mr. Sylvester, how much money your committee spent to bring about this miscarriage of justice in that State?

MR. SYLVESTER. Our committee, as far as funds are concerned, we did handle the advertising. My committee had either \$41,000 or \$43,000 that we spent.

SENATOR MUNDT. The reason I asked was I thought you said, or you may have made reference to it earlier that in talking to Sweeney, he

said, "Our rates of expenditures are going to exceed the \$600,000 we have set aside for this."

Did you use that figure?

Mr. SYLVESTER. I did, sir.

Senator MUNDT. Will you explain that?

Mr. SYLVESTER. Well, the day that I was engaged, we naturally reviewed what was going on. The proponents of a right-to-work endeavor had had considerable publicity relative to their endeavor. At that time, there was some possibility that it would go over.

I asked them what they were prepared to do about it, in the light that the other committee was so active. He said, or he may have said, "We are prepared to spend \$600,000."

Then at a later date, Sweeney said, "The way things are going, we will greatly exceed that figure."

Senator MUNDT. How much did you actually receive? You said they paid you a monthly salary.

Mr. SYLVESTER. Weekly, sir. The first 3 weeks it was \$150 a week, and thereafter it was \$200 a week.

Senator MUNDT. And the understanding was that if it were successful at the end, you were to get an additional payment or a bonus of \$10,000; is that right?

Mr. SYLVESTER. That was my understanding.

Senator MUNDT. We can assume that their lawyers are going to be busy for awhile doing other things. Maybe you can go after them.

Mr. SYLVESTER. I certainly haven't forgotten.

The CHAIRMAN. Senator Goldwater?

Senator GOLDWATER. Mr. Sylvester, this morning Mr. Brewster testified in answer to a similar question to the one just put you by Senator Mundt, the the teamsters spent around a half million dollars to defeat the right-to-work bill in Washington. Would you say that he was correct?

Mr. SYLVESTER. I can't say he is correct.

Senator GOLDWATER. Is he incorrect?

Mr. SYLVESTER. Incorrect.

Senator GOLDWATER. He would be incorrect. Let me ask you: In view of the fact that we have evidence here that shows that \$479,505 went to a Seattle advertising and public-relations man by the name of Ryan, would a figure of over \$400,000 be a correct figure?

Mr. SYLVESTER. For advertising only, I think that could be.

Senator GOLDWATER. That is, against the right to work.

What I am trying to get out of you, because you were very active in this campaign, is how much was spent by those people against the right-to-work measure in Washington.

Mr. SYLVESTER. Greatly in excess of \$600,000.

Senator GOLDWATER. Greatly in excess. To your knowledge, how much did the AFL-CIO put into it?

Mr. SYLVESTER. The AFL-CIO had what they called the United Labor Advisory Committee, and they told me personally that they spent \$141,000.

Senator GOLDWATER. How much did the UAW-CIO put into it?

Mr. SYLVESTER. I do not know, sir.

Senator GOLDWATER. Do you know if they put anything into it?

Mr. SYLVESTER. I believe they put money in through the United Labor Advisory Committee.

Senator GOLDWATER. But you do not know how much?

Mr. SYLVESTER. No, not that individual group. But Ed Weston, the president, told me they spent \$141,000.

Senator GOLDWATER. You were active in this campaign for the entire length of the campaign?

Mr. SYLVESTER. Yes, sir.

Senator GOLDWATER. You got rather well acquainted with the whole thing, did you not?

Mr. SYLVESTER. Yes, sir.

Senator GOLDWATER. How much would you say was spent, in round numbers, to defeat this measure in Washington?

Mr. SYLVESTER. In excess of \$1 million.

Senator GOLDWATER. How much in excess would you say? A million and a quarter?

Mr. SYLVESTER. I would say just over a million. Perhaps \$1,080,000, I think, could be established as a proper figure.

Senator GOLDWATER. Do you know how much money was spent by the proponents of this measure?

Mr. SYLVESTER. I don't—

Mr. KENNEDY. Could I interrupt here?

Mr. SYLVESTER. I don't know exactly.

Mr. KENNEDY. I think we must establish that you should not answer any questions that you do not know or have information about, when you are answering these questions.

Mr. SYLVESTER. I cannot answer that exactly, Senator.

Mr. KENNEDY. I talked to him about these figures before, and he didn't seem to know the figures on the \$1 million, and had no substantiation for them. I don't want figures to go into the record where the witness doesn't know.

Senator GOLDWATER. I believe I asked him in round numbers. I was not trying to pin him down. I will ask the same question again about the moneys spent by proponents. Would you make a measured guess in round numbers?

Mr. SYLVESTER. I could not answer it exactly, but it must have been in excess of \$150,000.

Senator GOLDWATER. So the relationship was someplace around 8.5 to 1.

Mr. SYLVESTER. I have heard the figure or ratio of 8 to 1 mentioned by Mr. Pollock at one time, and I think he has so stated it. He was the chief proponent.

Senator GOLDWATER. Mr. Pollock?

Mr. SYLVESTER. P-o-l-l-o-c-k. He used that in an expression "approximately 8 to 1."

Senator GOLDWATER. That is all I have.

The CHAIRMAN. Are there further questions?

Mr. KENNEDY. You say that more than a million dollars was spent to defeat initiative 198. Do you have any figures that you have seen or that you have examined that allow you to arrive at that figure?

Mr. SYLVESTER. I am satisfied—

Mr. KENNEDY. I am not asking whether you are satisfied. You might be satisfied, but we want to know what the figures are. If you don't know the answers to the questions, don't answer.

Do you know? Have you seen any figures that indicate to you how much money was spent to defeat initiative 198 other than the \$47,000 or \$43,000 that you know, yourself?

Mr. SYLVESTER. Mr. Ryan, the advertising man, I have had lunch with him, and saw him once a week during the campaign. I am satisfied that at lunch on 1 or 2 occasions he generalized that it would be in excess of \$350,000, advertising only.

Mr. KENNEDY. Then where do you get to the million dollars?

Mr. SYLVESTER. I am assuming all segments of labor. Mr. Weston told me \$141,000 specifically.

Mr. KENNEDY. All right. That is \$500,000. Where do you get the other \$500,000?

Mr. SYLVESTER. Those are specific figures. The Seattle Central Labor Council had an active campaign. I could not state exactly what it was.

Mr. KENNEDY. Mr. Ryan was doing work for the teamsters. That is \$350,000 plus the \$150,000 of the other man. That gives you up to \$500,000.

We don't have the figures ourselves, other than what the teamsters spent. I want to make sure that we are not putting figures in here saying that it was testified before the committee that \$1 million was spent when we don't have any figures to indicate that.

Mr. SYLVESTER. Senator, in every city of any size in the State of Washington, there was considerable advertising—

Mr. KENNEDY. But that is not the question, Mr. Sylvester. We just can't take it that it was considerable, that it looked like there was a lot of work being done. I don't want to appear unfair.

Mr. SYLVESTER. I could not give you the figure.

Mr. KENNEDY. Thank you.

The CHAIRMAN. What you have given is your estimate from what you observed and from information you have?

Mr. SYLVESTER. Yes, sir.

The CHAIRMAN. Proceed.

Senator IVES. Mr. Chairman, I would like to ask Mr. Sylvester one question, at least, and then make an observation.

Is there any limitation on campaign contributions dealing with propositions of this nature in the State of Washington?

Mr. SYLVESTER. Not to my knowledge, sir.

Senator IVES. Then now law, apparently, was violated; is that correct?

Mr. SYLVESTER. No, sir; not to my knowledge.

Senator IVES. I think it should be pointed out, Mr. Chairman, that this line of questioning of Mr. Sylvester does not necessarily mean that all of us here are in favor of right-to-work laws. I happen to be opposed to them myself.

The CHAIRMAN. Any other Senator may declare himself for or against. We cannot settle the issue here, so let us proceed.

Senator GOLDWATER. I did not know that was necessary.

The CHAIRMAN. We will proceed.

Mr. KENNEDY. That is all of Mr. Sylvester.

The CHAIRMAN. Thank you very much, Mr. Sylvester.

(Present at this point: The Chairman and Senators Ives, Mundt, and Goldwater.)

TESTIMONY OF FRANK W. BREWSTER, ACCOMPANIED BY HIS COUNSEL, JERRY N. GRIFFIN AND JOHN K. PICKENS—Resumed

Mr. KENNEDY. I am going to a new matter, but I thought maybe you wanted to comment on Mr. Sylvester's testimony.

Mr. BREWSTER. I certainly hate to take up the time of the committee, but I would like to just make a few brief remarks.

The CHAIRMAN. Granted.

Mr. BREWSTER. I did not know Mr. Sylvester until he came into my office. I know his brother. His brother was a representative in the State Capitol. I know him real well, and from his brother, I took him for face value.

He had already been down and was giving me some information on the people that proposed the right-to-work. He said he had a chance to work there, but he wanted to work for us. So I just took the background of coming from a very fine family, and I think he is a very fine man himself. I haven't any animosity against Howard Sylvester.

We thought that we were being a little evasive, probably, doing something that the public wouldn't find out about, so we formed this so-called committee. I learned something there, and I learned it before, that after more than one person knows something, it ceases to be a secret.

It wasn't very long until the citizens committee was known to everybody by ads in the paper from the employers and the people that were the proponents of the bill, which said that that was operated by the teamsters union.

The reason I am bringing this point out—the rest of it, I think, is cloud stuff, I think he is gathering out of the atmosphere—is that I hired him for \$150 a week. There was nothing said about a bonus, but I said that, "If we win this, we will give you a bonus." I might have said, "a good bonus."

I got a call in 3 weeks and he said, "I need more money. I can't live on \$150 a week." I said, "Howard, I have an agreement with you or an understanding with you that it is \$150 a week, and if you want any more it must come out of your bonus."

So he said, "Well, I will have to have it." I said, "How much do you want?" And he said, "\$50."

So immediately his salary went from \$150 to \$200. I had in mind, and I never said it at any time, that I would give him a \$100 a week bonus at the end of the campaign, and in my opinion I thought it was a fair, good bonus, a good, fair bonus. So that is how we computed the figures that he had \$1,800 left.

(The witness conferred with his counsel.)

Mr. BREWSTER. And the \$1,800, he had already got the \$1,800, so that was \$3,600 for about 36 weeks, of bonus. I also want to say that in the last check that he referred to, I think we are still getting calls that we owe bills. There was a statement rendered for bills and that is how he got that last check of three thousand-some dollars, and that included his last paycheck, and there was in excess of \$3,000 that he owed in bills.

I don't know what proportion. They are trying to come back on us to get the money. I don't want to go into it any further, be-

cause that goes on the merits of whether you think that he did such a wonderful job or whether he didn't.

The CHAIRMAN. Mr. Brewster, I am not particularly interested in a dispute as to how much you may owe Mr. Sylvester or not owe him for his work. That is a matter between the contractual parties. But I was a bit interested in the method he testified to of your representatives going into his office, stripping it, and taking all of his files and those things.

What have you got to say about that?

(The witness conferred with his counsel.)

Mr. BREWSTER. I only heard about this, and I wouldn't condone that myself. The files and the things that he says, the library that he built up being opposed to the right to work, I do not think was his property. I think that it was our property, and it was our library. But his own personal stuff, I think it was handled very wrong, and I wasn't around or I would not have ordered that kind of procedure.

The CHAIRMAN. Do you know who ordered that kind of procedure?

Mr. BREWSTER. No, I do not.

The CHAIRMAN. So you denounce that sort of thing?

Mr. BREWSTER. I certainly do. I would have gone in a different manner.

The CHAIRMAN. I am glad to hear you say that. It seems to me that in this country of ours we are entitled to some protection against that sort of imposition. I would hate to think that any man in your position would countenance those sorts of tactics.

Mr. BREWSTER. I don't agree with it.

The CHAIRMAN. Is there anything further?

Mr. KENNEDY. Not on that.

The CHAIRMAN. Do you want to go to a new matter?

Mr. KENNEDY. We are almost finished, Mr. Brewster.

Mr. BREWSTER. Thanks, Bob.

Senator MUNDT. Are you turning to something new?

Mr. KENNEDY. Yes.

Senator MUNDT. I would like to inquire whether Mr. Brewster did his homework this noon.

Mr. BREWSTER. Can I deliver it to you personally?

Senator MUNDT. Yes, sir.

(The document was handed to Senator Mundt.)

The CHAIRMAN. Let's have order, please. Proceed.

Mr. KENNEDY. Mr. Brewster, I want to ask you a little bit about Mr. Tom Maloney. I find that the Western Conference of Teamsters, on checks that were signed by you, paid the hotel bill of Mr. Tom Maloney at the Olympic Hotel in San Francisco from November 5 to November 9, 1954. Can you give us any explanation as to why you paid the hotel?

Mr. BREWSTER. The only explanation that I can give on that is that that check was written, my name was on a check in blank, and that was paid.

Mr. KENNEDY. Did you say—

Mr. BREWSTER. Did I say what?

Mr. KENNEDY. Continue.

Mr. BREWSTER. That is the only way I can figure that check was paid.

Mr. KENNEDY. It has to be somebody's responsibility, either John Sweeney's or your responsibility; is that right?

Mr. BREWSTER. Yes, sir.

Mr. KENNEDY. Then if it is not your responsibility, it is Mr. John Sweeney's?

Mr. BREWSTER. Yes, sir; and I hate to say that at the present time.

Mr. KENNEDY. You have the Olympic Hotel in Seattle, Wash., November 26 to November 30, 1954. Is that the same arrangement?

Mr. BREWSTER. That is the same arrangement.

Mr. KENNEDY. Mr. Sweeney's responsibility?

Mr. BREWSTER. Yes, sir.

Mr. KENNEDY. The Hotel Multnomah, Portland, Oreg., December 6 to December 11, 1954. Is that also Mr. Sweeney's responsibility?

Mr. BREWSTER. Yes, sir.

Mr. KENNEDY. The Olympic Hotel in Seattle, December 11 to December 13, 1954; Olympic Hotel, Seattle, December 17 to December 19; Olympic Hotel, Seattle, Wash., January 3 to January 6, 1955; the Olympic Hotel, Seattle, Wash., February 22 to February 24, 1955; the Olympic Hotel in Seattle, April 13 to April 16. Is that Mr. Sweeney's responsibility?

Mr. BREWSTER. Yes, sir; it was his responsibility.

Mr. KENNEDY. Go back to how it could come about that this amount of money was being misused by Mr. John Sweeney without anybody catching it in the Western Conference of Teamsters.

Mr. BREWSTER. I don't know whether it was misused. I don't know what—Sweeney had certain authorities himself. He wasn't just under my direction.

Mr. KENNEDY. You think this was a proper use of union funds? I will let you decide.

Mr. BREWSTER. I haven't checked into it to find out whether it was. I wouldn't say that it was or I wouldn't say that it wasn't. I don't know anything about the transaction, why he did it or anything else.

Mr. KENNEDY. Mr. Tom Maloney was not in the teamster organization, as I understood your opening statement, and yet the union funds were being used to pay his hotel bills?

Mr. BREWSTER. That is true.

Mr. KENNEDY. And you and John Sweeney were signing the checks. Do you think that was a proper use of union funds?

Mr. BREWSTER. No. Unless there was some extenuating circumstances, I would say, "No."

Mr. KENNEDY. The hotel bills were also being paid by joint council 37 in Portland, and the Hotel Benjamin Franklin in Seattle; the air transportation was being paid for Maloney, several trips on United Air Lines and a trip on Northwest Airlines; then the telephone bills were being paid by joint council 37.

Do you think that was a proper use of union funds?

Mr. BREWSTER. I would say "No" on the overall question, that I don't think so.

Mr. KENNEDY. Your name appeared on these checks. Are you going to take any steps in view of the fact that you had a responsibility, to repay this money to the Western Conference of Teamsters?

Mr. BREWSTER. Yes, sir; I am.

Mr. KENNEDY. You will repay it yourself?

Mr. BREWSTER. No; not myself. I will see if it is possible that Maloney or somebody else repays it.

Mr. KENNEDY. You have the responsibility.

Mr. BREWSTER. Of getting it back. Probably it was my fault in the category of me repaying it; is that what you mean?

Mr. KENNEDY. That is what I am interested in.

Mr. BREWSTER. That would be the last resort. I would try everything else first.

Mr. KENNEDY. Before you took it from yourself?

Mr. BREWSTER. Yes.

Mr. KENNEDY. I was also interested, Mr. Brewster, in your opening statement on page 16, and I didn't know if you wanted to correct that.

One of the things that has disturbed me as much as anything about these hearings has been the implication that John J. Sweeney was in any way involved in anything illegal in Portland. Sweeney is dead. He is not here to defend himself. So any hoodlum who chooses can get up and say, "John J. Sweeney did this," and "John J. Sweeney said that," without fear of successful contradiction. John J. Sweeney was an honest, loyal, hard-working man who devoted his life to better the lot of the workingman and anyone who knew him knows that.

Particularly on the statement "So any hoodlum who chooses can get up and say, 'John J. Sweeney did this,' and 'John J. Sweeney said that,'" is there any change you want to make in that?

Mr. BREWSTER. I don't know whether you said anything that Sweeney did illegal; I don't know what Maloney might have been doing for Sweeney.

Mr. KENNEDY. No, I am just thinking now where you are talking criticizing the hearings.

Mr. BREWSTER. Criticism? I think that the people I refer to are the people that were in the hearings, and I call them hoods. I am not talking about anybody else.

Mr. KENNEDY. You are not talking about yourself when you say that?

Mr. BREWSTER. I certainly am not.

Mr. KENNEDY. You are not. You didn't have yourself in mind?

Mr. BREWSTER. Myself or you or the staff.

Mr. KENNEDY. Would you say that the responsibility for paying the bills of John J. Sweeney and any arrangements that Maloney or McLaughlin had with the teamsters, the bills of Tom Maloney—would you say the bills of Tom Maloney and Joe McLaughlin, and any arrangements that Tom Maloney and Joe McLaughlin had with the teamsters, were Mr. John Sweeney's responsibility, not yours?

Mr. BREWSTER. I know nothing of any arrangements at all.

Mr. KENNEDY. On the discussion or talk that you had with Mr. Jim Elkins in your office, Mr. Brewster, Mr. Jim Elkins came up with Mr. Goldbaum?

Mr. BREWSTER. Yes, sir.

Mr. KENNEDY. And he came into your office. Could you tell us about what conversation took place there? Did you say anything to him?

Let me ask you this: Did you say anything to him about the fact that he would be wading across Lake Washington in concrete boots, or anything like that?

Mr. BREWSTER. I never said that to him or anyone in my life.

Mr. KENNEDY. Did you say anything like that?

Mr. BREWSTER. Not a thing. I never threaten people.

Mr. KENNEDY. You don't threaten?

Mr. BREWSTER. No, sir.

Mr. KENNEDY. Tell me what the conversation was, then.

Mr. BREWSTER. I was very angry at the time that he came there, that he got into my office. That was the first and last time that he was there. The conversation got a little hot, and I wound up by getting very—a little boisterous, I guess. I better simmer down, I am getting a little boisterous now.

And I believe that Mr. Goldbaum told him that he better leave, and he left. I don't think it was over 4 or 5 minutes.

Mr. KENNEDY. Did you have any conversation with him that you didn't want him to hurt your two boys down there?

Mr. BREWSTER. No; I didn't have any conversation about any 2 boys, and I don't know what 2 boys he might have been referring to.

Mr. KENNEDY. Was there discussion about the chief of police or the mayor?

Mr. BREWSTER. No, sir. I didn't know who the chief of police was I have never met the mayor in my life.

Mr. KENNEDY. Was there any discussion about that?

Mr. BREWSTER. No.

Mr. KENNEDY. Remember when I talked to you in Portland, and you were telling us about the conversation, you said that he came up there to see about the chief of police and the mayor, to talk to you about that, that Crosby was too tough on them or something?

Mr. BREWSTER. I didn't say that in my statement, did I? Have you got that statement?

Mr. KENNEDY. Of course, it was just an interview.

Mr. BREWSTER. I don't remember that.

Mr. KENNEDY. You don't remember saying that?

Mr. BREWSTER. I don't remember saying that. In fact, I don't know what he was up there for. It didn't last long enough to find out.

Mr. KENNEDY. You don't have any really definite recollection as to what occurred in the conversation, but just that you were angry with him?

Mr. BREWSTER. That is right, and I didn't want him in my office.

Mr. KENNEDY. What were you angry with him about?

Mr. BREWSTER. I was angry with him because a short time before that, a month or 6 weeks, Crosby told that he played records and threatened him, wanted to sell them to him, and he told Crosby, "If I don't sell them to you, I will go and see if Brewster will buy them." So that is what I thought he might have come in there for, for that purpose.

Mr. KENNEDY. We have a quote here from what you said to Mr. Bellino and myself.

Brewster stated Crosby felt the city was being run like citizens desired it to be run. He stated, "Elkins wanted me to have Crosby lay off the chief and the mayor."

Mr. BREWSTER. Well, I certainly don't remember that statement.

Mr. KENNEDY. Do you remember we also asked you whether you had any business dealings with anybody that was a pinball-machine operator and you said you had not?

Mr. BREWSTER. I don't remember that.

(The witness conferred with his counsel.)

Mr. KENNEDY. You straightened it out yesterday anyway, with regard to Mr. Galeno.

Mr. BREWSTER. Thank you.

Mr. KENNEDY. Now, I want to go to a different matter with you, Mr. Brewster, and that is the question of the loans that you have received from the various teamster organizations.

As of December 31, 1956, how much did you owe to any teamster organization?

Mr. BREWSTER. Seventy-nine thousand-some, I think. Can I explain it? Have you got the figure there to tell me?

Mr. KENNEDY. Yes, I do.

Mr. BREWSTER. Will you read whatever it is?

The CHAIRMAN. As of what date? I didn't get the date.

Mr. BREWSTER. December 31, 1956.

Senator MUNDT. While they are hunting for that, Mr. Brewster, there is one question I would like to ask about the breakdown. At the bottom of the page, it has "Occidental Life Insurance \$4 cents per month per member for \$1,000 policy," but I am not clear whether that comes out of these payments, or whether it should be added.

Mr. BREWSTER. That should be added to it. It comes out of the top, the \$5.25, Senator. All of those deductions come out of the \$5.25.

Senator MUNDT. You have some big figures, like \$120. Is that provided by 150 members or something like that? Up until that it looked like each member paid the amount you stated. Then you come down to the Seattle Federal Trade Conference, \$120 per year.

Mr. BREWSTER. That is right. That is on the entire membership.

Senator MUNDT. Of about how many?

Mr. BREWSTER. Roughly speaking, 5,500 to 6,000.

Senator MUNDT. Well, a little higher, you have, "Over the road division, \$150 per year." You said that was \$1 per member.

Mr. BREWSTER. No, that isn't a yearly. That is monthly, isn't it?

Senator MUNDT. Monthly, right.

Mr. BREWSTER. Yes, \$150 a month, and that is based upon 1,500 members at 10 cents apiece.

Senator MUNDT. That would be \$1,500. You would divide these figures by about the same \$1,500, then, down here?

Mr. BREWSTER. No. That would be on the entire membership.

Senator MUNDT. Of about 5,500?

Mr. BREWSTER. Yes, sir.

Mr. KENNEDY. I am afraid I am going to have to go back a minute, Mr. Brewster.

On this Portland situation, did you know what Tom Maloney was doing down there?

Mr. BREWSTER. Only hearsay.

Mr. KENNEDY. What did you hear that he was doing?

Mr. BREWSTER. I heard Maloney was down there working in a campaign, a political campaign.

Mr. KENNEDY. Mr. Tom Maloney was your friend, was he not?

Mr. BREWSTER. Well, I have known Tom Maloney for a long time. There are probably a lot of degrees of friends, and I don't know just exactly what category he would come in.

Mr. KENNEDY. And you were the one that secured the loan for him from the Spokane office of the teamsters?

Mr. BREWSTER. No, I didn't exactly secure the loan from him—

Mr. KENNEDY. For him.

Mr. BREWSTER. —for him. He wanted a loan. The money in Spokane was in the bank not earning anything. We had it all in a checking account, and he approached, himself, Ab Ruhl, and Ab called me and I said, "If he puts up collateral and it is protected, I don't see any reason why you shouldn't loan it."

Mr. KENNEDY. So you gave instructions to go ahead with the loan?

Mr. BREWSTER. I said, wait a minute, that I couldn't see any objections, but it was still up to their board to object and not do it regardless of what I said. I didn't tell them to do it. I said I could not see any objections if he had protection and collateral up to secure the loan.

Mr. KENNEDY. What happened, in fact, was that you approved of the loan to Tom Maloney at that time?

Mr. BREWSTER. I don't think it is a fact. I said I couldn't see any reason for not loaning him the money.

The CHAIRMAN. Who were you talking to when you said that?

Mr. BREWSTER. I was talking to Ab Ruhl.

The CHAIRMAN. Who was he?

Mr. BREWSTER. The secretary of local 690 in Spokane.

The CHAIRMAN. Wouldn't you regard that reply that you gave as approval, when the secretary called you and asked you about it?

Mr. BREWSTER. I would regard it as probably—it might be considered I would do it myself, if that is what you mean, if I was in that position.

The CHAIRMAN. He was calling to get your approval, was he not?

Mr. BREWSTER. I still think he went back to the board.

The CHAIRMAN. I don't care what he did. But the call was to get your approval.

Mr. BREWSTER. I don't approve those, other than use my own judgment on them, and that isn't, in my opinion, an approval.

The CHAIRMAN. Mr. Brewster, wasn't the call, and don't you know that call was, to submit the matter to you for your approval before the action was taken?

Mr. BREWSTER. I don't know that that was the fact.

The CHAIRMAN. For what other purpose would he be calling and asking you about it?

Mr. BREWSTER. It would probably be the suggestion that he probably thought he had in mind, but it certainly wasn't in my mind. The board itself could turn it down. It was up to the board. I asked him if he had the money or if he had to take it out of anything that was earning money, and he said, "No, all of our money is in a checking account, and we have some \$60,000 or \$70,000," whatever it was, that wasn't earning.

The CHAIRMAN. You discussed it in some detail?

Mr. BREWSTER. The amount of money he had in and the security.

The CHAIRMAN. The amount of money and the nature of the loan?

Mr. BREWSTER. And the security.

The CHAIRMAN. And the security?

Mr. BREWSTER. I said I would have it checked on, all the securities and so forth, that he had.

The CHAIRMAN. You concluded by saying that you could see no objection to making the loan?

Mr. BREWSTER. Yes, I said that.

The CHAIRMAN. I would regard that as an approval, if I had been inquiring of my superior, wouldn't you?

Mr. BREWSTER. I am not exactly Ab's superior.

The CHAIRMAN. You are a little bit superior to a local.

Mr. BREWSTER. I don't know what face on the totem pole I would be. But Ab Ruhl is elected.

The CHAIRMAN. All right, Mr. Brewster, we will accept what you have said as an explanation.

I think we can all determine for ourselves what conclusion we will reach about it.

Mr. BREWSTER. Okay.

Mr. KENNEDY. Did you know what the loan was going to be used for?

Mr. BREWSTER. Yes. He was going into a business transaction.

Mr. KENNEDY. Did you know it was going to be for a cardroom?

Mr. BREWSTER. A cardroom and restaurant.

Mr. KENNEDY. A cardroom and restaurant?

Mr. BREWSTER. Yes, sir.

Mr. KENNEDY. You knew that?

Mr. BREWSTER. Yes, sir.

Mr. KENNEDY. I want to read you the testimony of Mr. Ruhl, page 41. He states that Mr. Maloney came to him, and the question is:

So you turned Mr. Tom Maloney down, is that right, the first time he asked you?

Mr. RUHL. Yes.

Did Mr. Ruhl tell you that he had turned Tom Maloney down?

Mr. BREWSTER. No, he did not.

Mr. KENNEDY (reading):

Mr. KENNEDY. You did not feel that it was the proper kind of loan for your union to make?

Mr. RUHL. I think so.

Mr. KENNEDY. Did you ever loan the money to him?

Mr. RUHL. I did.

Mr. KENNEDY. For what reason did you ultimately loan him the money?

Mr. RUHL. He couldn't open his place and I took it up with the members of my board and I told them about it and he would be willing to give me the deed on the house in Edmonton, Wash., for security. They told me if I thought it was okay to let him have the money.

Mr. KENNEDY. Did you ever discuss it with anyone else, Mr. Ruhl?

Mr. RUHL. I think I discussed it with Mr. Brewster, yes.

Mr. KENNEDY. What did Mr. Brewster tell you?

Mr. RUHL. He told me to help him out.

Did you tell him that?

Mr. BREWSTER. I don't believe I did. I think I went into it a little farther, "To be sure he has the security and so forth before you loan him the money." I don't remember this expression at all.

The CHAIRMAN. Mr. Brewster, as I understood you, you knew at the time you were passing on this that the money was to place him in the business of a gambling business?

Mr. BREWSTER. No, sir.

The CHAIRMAN. A card table? You did not understand he was going to run a gambling business?

Mr. BREWSTER. Those are not illegal businesses in the sense of legal. They are licensed cardrooms, they are licensed restaurants and so forth. They are not illegal. There are lots of them.

The CHAIRMAN. Well, they are gambling places, are they not?

Mr. BREWSTER. I did not know that it was a gambling place, and I don't know. They play cards. I think in the city of Seattle I know they are licensed. They play a certain kind of cards. I don't think they play poker.

The CHAIRMAN. I am just asking for information.

Mr. BREWSTER. I know that there are several places where they term them as cardrooms and license them to that effect. They play whist and panguingui or whatever it is.

The CHAIRMAN. The information on the face of it is that you knew he was going into a gambling business. I wanted to know whether you knew that or not.

Mr. BREWSTER. Thank you. I did not.

Mr. KENNEDY. You did not know he had a blackboard and was acting as a bookie?

Mr. BREWSTER. No, sir, I didn't.

Mr. KENNEDY. You never were told that?

Mr. BREWSTER. I never was told.

Mr. KENNEDY. Mr. Ruhl knew it.

Mr. BREWSTER. Mr. Ruhl didn't tell me.

Mr. KENNEDY. Would you have approved the loan if you had known that?

Mr. BREWSTER. Not if he was in that business; no. I would have told him no.

Mr. KENNEDY. You had gotten several jobs for Mr. Maloney, had you not?

Mr. BREWSTER. Yes, I did.

Mr. KENNEDY. Where did you get that employment for him?

Mr. BREWSTER. At the racetrack.

Mr. KENNEDY. On how many different occasions did you get jobs for him?

Mr. BREWSTER. After I got him the first job, then that repeated itself and from season to season he would go back and get the job, the same job, back again.

Mr. KENNEDY. Mr. Maloney, therefore, was your friend, was he not, Mr. Brewster?

Mr. BREWSTER. I said the degree of friend, I don't know. I wouldn't say he was my good friend.

Mr. KENNEDY. But he was your friend, was he not?

Mr. BREWSTER. Well, he would be considered a friend or acquaintance.

Mr. KENNEDY. Well, you have gotten him a job on several different occasions for several years. You had secured a loan from one of the teamsters unions for him so that he could open up a restaurant cardroom. So he must have been somewhat of a friend of yours?

Mr. BREWSTER. I think "somewhat" is the right word.

Mr. KENNEDY. Then you secured transportation for him on union funds, did you not?

Mr. BREWSTER. I secured it, I think, at the one time when he was going to Spokaue. And at the present time I don't know why I did it.

Mr. KENNEDY. That was on Western Conference funds?

Mr. BREWSTER. That is true.

Mr. KENNEDY. And yet, despite this history of knowing Tom Maloney for approximately 20 years, and having gotten a job for him

over this period of time, having gotten a loan for him from the Spokane office of the teamsters, having secured transportation for him at Western Conference expense, you say that of this matter down in Portland that you knew nothing about it, is that right?

MR. BREWSTER. That is true.

MR. KENNEDY. That is all Mr. John J. Sweeney's responsibility?

MR. BREWSTER. That is not my responsibility.

(At this point, Senator Ives withdrew from the hearing room.)

MR. KENNEDY. Even though you had this history of friendship with Tom Maloney, you say suddenly the friendship has shifted from you to John J. Sweeney and it was his responsibility?

MR. BREWSTER. It wasn't my responsibility, because I did not have anything to do with sending him to Portland. I think I said in this statement that I heard that he was down there doing something in a political way—I don't know whether I put that in there, but that is what I heard—and I said to John Sweeney, "Better be careful of him, because he is irresponsible."

MR. KENNEDY. Why, if you thought he was irresponsible, did you have the Spokane office of the teamsters give him a loan?

MR. BREWSTER. That was several years later, and the irresponsibility started cropping out more from day to day.

MR. KENNEDY. You had known him for 20 years, had you not?

MR. BREWSTER. I was fooled for about 16 of them.

MR. KENNEDY. When did he suddenly start to spring up this friendship with John J. Sweeney and John J. Sweeney replaced you in his affection?

MR. BREWSTER. He has the nicest way of getting into somebody's friendship, or so-called acquaintance, of any individual I have ever seen. He is a non compos mentis, in my book.

MR. KENNEDY. You see the difficult position that it puts the committee in. He had this history of 20 years of friendship with you, and you signed the checks to pay his bills down in Portland, you and John J. Sweeney, and he had this history of the friendship with you, he goes down there and then you come before the committee and say that is all John J. Sweeney's responsibility, that is his fault. And John J. Sweeney is dead so we cannot ask him about it.

You see that that is a little difficult to understand.

MR. BREWSTER. Well, it might be for you, but it is not for me.

MR. KENNEDY. Mr. Brewster, what was your relationship with Mr. William Langley?

MR. BREWSTER. Very brief.

MR. KENNEDY. Did you know William Langley?

MR. BREWSTER. I think I met him maybe twice.

MR. KENNEDY. Where, and under what circumstances, did you meet him?

MR. BREWSTER. I believe at one time he was introduced to me in my office, by Sweeney, and I don't recall whether there was anyone else with him at that time or not. Then I met him in San Francisco later on, I don't know the exact time—

MR. KENNEDY. Was that after the election?

MR. BREWSTER. Yes, I think it was after the election.

MR. KENNEDY. Was he in the company of Mr. Tom Maloney at the time?

Mr. BREWSTER. I met him at a place where we took a bus out to the fights. I don't remember whether Maloney was there. There were about 40 people in the bus.

Mr. KENNEDY. You do not know who introduced him to you?

Mr. BREWSTER. I was introduced before.

Mr. KENNEDY. By whom?

Mr. BREWSTER. I was introduced before by Mr. Sweeney, so I wasn't introduced again.

Mr. KENNEDY. Can you give any explanation as to why the teamsters would be paying his hotel bill?

Mr. BREWSTER. No, I don't.

Mr. KENNEDY. Are you going to try to take steps to have Mr. Langley repay that money to the teamsters?

Mr. BREWSTER. I will.

Mr. KENNEDY. And if he does not pay it, and as you signed the check, are you going to reimburse the teamsters for that money?

Mr. BREWSTER. As a last resort; yes.

Mr. KENNEDY. That is if you do not get it from Mr. Langley, you will put it in yourself, is that right?

Mr. BREWSTER. I will make a strong attempt, surely, to get it from Langley.

Mr. KENNEDY. Then if Mr. Langley does not return it, will you return it?

Mr. BREWSTER. Well, I don't know whether it is exactly all my responsibility.

Mr. KENNEDY. It is Mr. John Sweeney's and your responsibility.

Mr. BREWSTER. Yes; and he is dead. Could I pick up 50 percent of it?

Mr. KENNEDY. It is the union members' dues. That is something you will have to work out with them.

Could you tell the committee what this check for \$500, dated October 26, 1954, to William Langley, was for?

(Document handed to witness.)

(The witness conferred with his counsel.)

The CHAIRMAN. We will first ask you to identify the check, if it bears your signature.

Mr. BREWSTER. Did you say 1956?

Mr. GRIFFIN. No; it is 1954.

Mr. BREWSTER. It is October 1954. It is made out—it is very blurry. It is made out to William M. Langley, I guess. I know the name, that is why I am reading it.

The CHAIRMAN. In the amount of what?

Mr. BREWSTER. \$500.

The CHAIRMAN. Signed by whom?

Mr. BREWSTER. Signed by William Langley.

The CHAIRMAN. It was endorsed William Langley, you mean.

Mr. BREWSTER. Yes.

The CHAIRMAN. Signed by whom?

Mr. BREWSTER. Excuse me, I am sorry. Signed by myself and John J. Sweeney.

The CHAIRMAN. That check has already been marked exhibit 60 for the record.

It is exhibit 60?

(The exhibit referred to appears in the appendix of pt. 3, on p. 1104.)

Mr. BREWSTER. That is right.

The CHAIRMAN. You are now looking at and examining exhibit 60, that exhibit that you are testifying about.

Mr. KENNEDY. Mr. Brewster, do you know what that was for, the \$500? Will you read the endorsement?

Mr. BREWSTER. Yes. I read the endorsement, but it is very confusing.

The CHAIRMAN. What does the endorsement say?

Mr. BREWSTER. It says, "William Langley" and then it is "pay to the order of First National Bank of Portland, Oreg., Joint Council No. 37."

Mr. KENNEDY. I believe that shows that they cashed the check for him.

Mr. BREWSTER. Well, if they did, they would have to give him a check for it. They don't receive cash in the Joint Council, so if they did, they would have to give him cash for it—I mean give him another check for it.

The CHAIRMAN. Why would they have to do that?

Anyone can cash a check if they have the money.

Mr. BREWSTER. They don't handle cash, Senator.

The CHAIRMAN. Are you sure?

Mr. BREWSTER. I am pretty near positive. I don't know who would pay in cash. I don't know where it would come from that they would receive cash. Moneys that they get are from local unions in checks.

The CHAIRMAN. It is a little bit strange that he would receive the check from the union and then take it down to the union and get it cashed.

Mr. BREWSTER. Yes, it is.

Mr. KENNEDY. Do you know why that \$500 was given to him by the Western Conference?

Mr. BREWSTER. No, I don't.

Mr. KENNEDY. You signed the check, Mr. Brewster.

Mr. BREWSTER. I did. The same way, the same answer goes.

The CHAIRMAN. Do you have any idea how many checks like that you have signed where you have no knowledge of the purpose?

Mr. BREWSTER. I have signed a good many checks in blank.

The CHAIRMAN. A good many have come in here that you seem to have no knowledge about at all. I am sure we do not have all of them.

Mr. KENNEDY. What about the loan from Mr. Sam Sellinas? You secured a loan from Mr. Sam Sellinas in the State of Washington?

Mr. BREWSTER. What page is that on?

Mr. KENNEDY. Why don't you give just an explanation of it?

Mr. BREWSTER. I want to refresh my memory on Sam Sellinas.

Mr. KENNEDY. It is page 106.

Senator MUNDT. Before we leave Mr. Langley altogether, Mr. Brewster, I cannot quite reconcile the western conference sending \$500 to a candidate for district attorney down in Multnomah County, in Portland. It says in your prepared statement that you did not support local candidates. He would be a local candidate, and it would be up to the local union. The western conference, insofar as it got into politics at all, even on the State and national area level. This looks as though this is a violation of that rule that you say the western conference follows.

MR. BREWSTER. No, I think I said further, Senator, that if areas need financial assistance in their campaigns, that we contribute to the areas.

SENATOR MUNDT. This man Langley is a curious character. I have been sitting on these committees in the House and Senate for more than 16 years and have seen people take the fifth amendment.

MR. BREWSTER. Probably some people think I am a peculiar character.

SENATOR MUNDT. I have heard Communists take it and racketeers take it, and gangsters take it, but this man Langley took it 100 percent, all the time. I have never seen anything like that, and he is supposed to be the district attorney and enforce the law. I cannot see why the teamsters, the teamsters in Washington, would want to support a fellow in Portland that was like that.

MR. BREWSTER. Of course, all of these things, that you are talking about, came out afterward.

SENATOR MUNDT. Yes, that is probably true. You mean, these are things that occurred after he was elected?

MR. BREWSTER. Yes. To the best of my memory, Ab Ruhl asked me about what I thought about making a loan to Sellinas. He said he had taken it up, I believe, with his board. I don't remember the discussion, of whether the board was weighing it to figure out whether they would, but I again asked him what security Sellinas would have, and he told me that the security was very good, that he had two pieces of property that were going up in value all the time. He also received, I believe, 5 percent on the loan.

And it was, again, moneys that were in there and not earning.

MR. KENNEDY. How long had you known Mr. Sellinas, prior to that time?

MR. BREWSTER. I had known him for—before that period of time?

MR. KENNEDY. How long have you known him, from now?

MR. BREWSTER. I guess 10 or 12 years. I am guessing, but about 10 or 12 years.

MR. KENNEDY. Had you ever had any business dealings with him yourself?

MR. BREWSTER. No business dealings, other than that he was a stockholder in the Play Fair racetrack when I first knew him.

MR. KENNEDY. Did you have an interest in the Play Fair racetrack?

MR. BREWSTER. Just a rooting interest, just to run a horse. No interest at all, financially at all.

MR. KENNEDY. How would that tie in with it?

MR. BREWSTER. Well, I was a racing commissioner at that time. We would hold meetings, stockholders and representatives of the track would go to the meetings, and that is how I became acquainted with him.

MR. KENNEDY. But you never had any business dealings with him yourself?

MR. BREWSTER. No business dealings at all.

MR. KENNEDY. Did you ever have any financial dealings?

MR. BREWSTER. No, sir.

MR. KENNEDY. None of any kind?

MR. BREWSTER. Yes; I sold him a piece of property here not long ago.

MR. KENNEDY. How long ago was that?

Mr. BREWSTER. About 8 or 10 months ago.

Mr. KENNEDY. Would not you consider that a business deal?

Mr. BREWSTER. Yes. I forgot about that piece of property. That is the only thing.

Mr. KENNEDY. Would you think again and find out whether you have had any business dealings with him?

Mr. BREWSTER. No; there is no other.

Mr. KENNEDY. You never had any financial dealings with him?

Mr. BREWSTER. No.

Mr. KENNEDY. Have any of the companies with which you have been associated had any financial dealings with him?

Mr. BREWSTER. No; not any that I know of.

Mr. KENNEDY. Have you ever borrowed any money from him yourself?

Mr. BREWSTER. No; never have.

Mr. KENNEDY. Have you ever loaned him any money?

Mr. BREWSTER. No; not to my recollection. No; I haven't loaned him any money that I remember.

Mr. KENNEDY. Did you not have an interest in 1952 in the Clearbrook Stock Farm?

Mr. BREWSTER. Yes, sir, I did.

Mr. KENNEDY. A \$540 check, stamped Sellinas—

Mr. BREWSTER. Just a minute. I think I can explain that. That I forgot.

It was about a horse that I had of his that I was taking over.

Mr. KENNEDY. What other business?

Mr. BREWSTER. That is all. That is the only business.

Mr. KENNEDY. What was the financial arrangement that you had out that?

Mr. BREWSTER. That I was to buy the horse out of winnings.

Mr. KENNEDY. Then on March 20, another \$1,862.34?

Mr. BREWSTER. Went to him?

Mr. KENNEDY. Yes.

Mr. BREWSTER. That was out of winnings.

Mr. KENNEDY. S. S. Sellinas?

Mr. BREWSTER. Yes. It went out of winnings.

Mr. KENNEDY. I am sorry. This is from Mr. Sellinas to you. The \$540 is from Mr. Sam Sellinas to you, deposited in your bank account. It is from the Clearbrook Stock Farm.

Mr. BREWSTER. I don't recall that. It could have been that he wanted to claim a horse or something. I can't recall it at the present time.

Mr. KENNEDY. Let me tell you, February 1952, \$540; March 20, \$1,862.34; May, \$709; June, \$1,037; and you have there "board and training." What does that mean opposite his name?

(The witness conferred with his counsel.)

Mr. BREWSTER. That possibly could be right.

Mr. KENNEDY. What was that money for?

Mr. BREWSTER. For the horses that he owned that were being trained by the Clearbrook.

The CHAIRMAN. The Chair will announce that we are expecting roll-call votes in the Senate. This is a rollcall signal.

It is now nearly 4:30. By the time we could get back, we would not have much opportunity—

Mr. GRIFFIN. Mr. Chairman.

The CHAIRMAN. To take further testimony this afternoon. Therefore, it will be necessary——

Mr. GRIFFIN. Could I say something to you in private a minute, if you will let me.

The CHAIRMAN. You will have to hurry. I have to vote.

Senator MUNDT. Mr. Chairman, while he is coming around, I would ask permission to put into the record the breakdown of the dues of Mr. Brewster. I will ask the reporter to ignore my penciled notations. I simply ask for the pen and ink stuff which Mr. Brewster supplied.

The CHAIRMAN. Without objection, that may be done.

(Document referred to follows:)

General Teamsters Local No. 174 Seattle, Wash.

Dues per month-----	\$5. 25
Monthly per capita tax:	
To International Brotherhood of Teamsters-----	. 40
Joint Council No. 28-----	. 30
Joint Council convention fund-----	. 05
Joint Council legal fund-----	. 05
Joint Council legislative fund-----	. 06
To western conference general fund-----	. 20
Western conference retirement trust No. 1-----	. 10
Western conference retirement trust No. 2-----	. 07
Western conference strike fund-----	. 25
Western conference over-the-road division, per month-----	150. 00
Seattle Central Labor Council-----	60. 08
Yearly payments:	
Seattle Metal Trades Council-----	120. 00
Seattle Building and Construction Trades Council-----	150. 00
Beverage division, western conference-----	25. 00
Seattle Building Trades Council-----	280. 00
Occidental Life Insurance Co. 84 cents per month for member for member for \$1,000 policy	

The CHAIRMAN. The committee will stand in recess until 11 o'clock in the morning.

(Members present at the taking of the recess: The chairman, and Senators Mundt, and Goldwater.)

(Whereupon, at 4:15 p. m., the committee recessed, to reconvene at 11:00 a. m., Friday, March 22, 1957.)

INVESTIGATION OF IMPROPER ACTIVITIES IN THE LABOR OR MANAGEMENT FIELD

FRIDAY, MARCH 22, 1957

UNITED STATES SENATE,
SELECT COMMITTEE ON IMPROPER ACTIVITIES
IN THE LABOR OR MANAGEMENT FIELD,
Washington, D. C.

The select committee met at 11 a. m., pursuant to Senate Resolution 74, agreed to January 30, 1957, in the Caucus Room, Senate Office Building, Senator John L. McClellan, chairman of the select committee, presiding. Present: Senator John L. McClellan, Democrat, Arkansas; Senator Pat McNamara, Democrat, Michigan; Senator Karl E. Mundt, Republican, South Dakota; Senator Barry Goldwater, Republican, Arizona; also present: Robert F. Kennedy, chief counsel to the select committee; Jerome Adlerman, assistant counsel; Alphonse F. Calabrese, investigator; Pierre E. G. Salinger, investigator; Ruth Young Watt, chief clerk.

(Members present at the convening of the session: The Chairman and Senator Goldwater.)

The CHAIRMAN. The committee will come to order.

Mr. KENNEDY. Mr. Brewster.

TESTIMONY OF FRANK W. BREWSTER, ACCOMPANIED BY HIS COUNSEL, JERRY N. GRIFFIN AND JOHN K. PICKENS—Resumed

The CHAIRMAN. All right, gentlemen, stop the pictures now.

Mr. Kennedy?

Mr. KENNEDY. Mr. Brewster, we were talking yesterday about the moneys that came from Mr. Sam Sellinas.

Mr. BREWSTER. Yes, sir.

Mr. KENNEDY. Do you have any explanation of that?

Mr. BREWSTER. Yes. You refreshed my memory on it. I absolutely forgot about it. I had some horses, I don't recall their names at the present time, and the stable that I had trained those horses for a short period of time, not too long.

Mr. KENNEDY. You were training some of his horses for him?

Mr. BREWSTER. Yes; or the trainer that I had trained the horses. I didn't probably do it at that time personally. I don't know whether I did or not.

Mr. KENNEDY. And those payments were for—

Mr. BREWSTER. For training and board and so forth. It was approximately \$10 a day.

Mr. KENNEDY. He had some horses?

Mr. BREWSTER. Yes, sir.

Mr. KENNEDY. You gave approval of that loan from the Spokane local, did you, on Sellinas?

Mr. BREWSTER. Well, I still don't think it is just exactly an approval. I told them that it was still up to their executive board. I felt that if it was secured, that the loan would have been all right. I have a lot of people calling me. Probably on things of that kind, even probably under the direction of Mr. Anthony, you might say, I get all kinds of calls from business secretaries on all subject matters.

Mr. KENNEDY. Did you ever have the western conference loan any money to the Spokane Teamsters Union to cover that loan to Sellinas?

Mr. BREWSTER. No. I believe that we loaned them some money one time on their building. I am not sure. It didn't have anything to do with a loan.

Mr. KENNEDY. It had nothing to do with the loan?

Mr. BREWSTER. Of Sellinas?

Mr. KENNEDY. Yes.

Mr. BREWSTER. No, sir.

Mr. KENNEDY. Mr. Brewster, I have another matter that I wanted to ask you about. You had a \$10,000 deposit in the Needmore Stables on July 6, 1955. Where did that money come from?

Mr. BREWSTER. I think I sold some stocks or some of my bonds and put it in.

Mr. KENNEDY. Do you have any details on that?

Mr. BREWSTER. No, I haven't. I will have to check on my own personal account to find that out.

Mr. KENNEDY. Was it some stocks that you owned?

Mr. BREWSTER. I owned some stocks, I owned some bonds, and I sold all of those.

Mr. KENNEDY. Was that in 1955?

Mr. BREWSTER. In 1955 I did, I am sure.

Mr. KENNEDY. Would you tell me what kind of bonds or what kind of stocks?

Mr. BREWSTER. I had savings bonds at that time that I had been saving since 1937 that I sold in that period, I think around in there somewhere. It might have been 1954 or 1955. Then I had some other stocks on that strait over between Detroit and Windsor. I had some bonds on that. I sold them. All the bonds and everything I had I sold in the period of about 2 years.

Mr. KENNEDY. But you deposited \$10,000 on July 7 in the Hollywood Turf Club account.

Mr. BREWSTER. In that account from my own account?

Mr. KENNEDY. I am trying to find out where it came from.

Mr. BREWSTER. I know that I can prove where it came from if I have a chance to look at the record.

Mr. KENNEDY. You have no idea right now?

Mr. BREWSTER. I haven't the idea, but I know at that time that I was selling my bonds and putting it in there at that time.

Mr. KENNEDY. Would your own personal records show?

Mr. BREWSTER. I believe it would help considerably. I think it would show.

Mr. KENNEDY. Where are they going to be made available to us?

Mr. BREWSTER. I would like to have a little time to clean up my

desk and do a little work for that rank and file member, John C. Truck Driver. I have been away now for a period of a month, and if I could have a couple of weeks to clean that up, I will get into this other.

Mr. KENNEDY. Will you make those records available to our investigator out in Seattle?

Mr. BREWSTER. Yes; I will.

Mr. KENNEDY. That is, rather than bring them all here.

Mr. BREWSTER. Oh, sure.

Mr. KENNEDY. Could we have an understanding? It would be more convenient for us if the records of the Teamsters Union in the Western Conference could be made available to the investigators at the location rather than to have them brought all the way back here to Washington.

Mr. BREWSTER. I don't think we are going to have any trouble on that point.

Mr. KENNEDY. Could we agree to that, do you think, except where you actually refuse to turn them over? But where you will——

Mr. BREWSTER. Let me say this. That is a local problem. Any local union that has their own autonomy, but I will do anything I can to assist you to have you get the records.

Mr. KENNEDY. Any place where you have control, however, those records will be made available?

Mr. BREWSTER. There will be no argument about that.

Mr. KENNEDY. We can get those records where we need them in our own office, can we, Mr. Brewster, out there? Will you allow us to take them out?

Mr. BREWSTER. I would rather not have you take them out. I would rather——

Mr. KENNEDY. It is a technical point, but if you had to produce them here, you would have to leave them here. Often you people only work from 9 to 4:30, and we would like to be able to work on those records a little later. So far your offices have closed at 4:30 and we have had to stop work. We would like to make an arrangement so that we could continue to work on those records.

Mr. BREWSTER. Well, I think that we stayed there Saturday and Sunday to assist you at one time.

Mr. KENNEDY. One time?

Mr. BREWSTER. Yes, one time. And I would think if it is necessary to work longer hours, we will have somebody there with you.

Mr. KENNEDY. You will make that arrangement?

Mr. BREWSTER. I will.

Mr. KENNEDY. You will always have somebody, so that we can work there as long as we want.

Mr. BREWSTER. Don't work them too long, please?

Mr. KENNEDY. Another matter I wanted to clear up is this: You were talking the other day about an election. You are elected as a vice president of the teamsters; is that right?

Mr. BREWSTER. Yes, sir.

Mr. KENNEDY. You are, however, appointed as the chairman of the Western Conference of Teamsters?

Mr. BREWSTER. Yes. That is the way in the constitution. But I still went through an election and was elected. I was nominated and

elected, just through routine to see if I won. But the constitution calls that I am appointed by the general president.

Mr. KENNEDY. The head of all the conferences are appointed by the general president?

Mr. BREWSTER. That is true.

Mr. KENNEDY. Now I want to get to your loans, Mr. Brewster, your own personal loans.

Mr. BREWSTER. Yes.

Mr. KENNEDY. What loans have you received from the union?

Mr. BREWSTER. I haven't the loans at the present time. I haven't them written out what time I had the loans, but I have checked and I have lumped the loans altogether, and I think when we stopped on that—you could probably help me on the figures a little bit—it is \$79,000 or something like that from the Western Conference of Teamsters.

Mr. KENNEDY. Western Conference of Teamsters \$77,650.

Mr. BREWSTER. \$77,000.

Mr. KENNEDY. That was December 31, 1956.

Mr. BREWSTER. That is at that time.

Mr. KENNEDY. Then you had some other loans?

Mr. BREWSTER. Are there other loans there?

Mr. KENNEDY. You tell me.

Mr. BREWSTER. I don't know of any other loans there. Are there other loans?

Mr. KENNEDY. You do not know of any other loans?

Mr. BREWSTER. No.

(At this point, Senator Mundt entered the hearing room.)

Mr. KENNEDY. You are not aware of any other loans from any of the teamsters unions?

Mr. BREWSTER. I thought that that lumped the whole thing together.

Mr. KENNEDY. Let me ask you about that. That was as of December 31, 1956. Have you repaid that loan?

Mr. BREWSTER. Yes, sir. They have a warranty deed for enough property, including my home, to pay for every dime on those loans that I owe. I have turned that deed over and made it out to them about a month ago.

The CHAIRMAN. After this investigation got underway?

Mr. BREWSTER. That I paid the loans? Yes, but I have been thinking of it for some time, because I wasn't able to pay it back fast enough, and it was bothering me, so I gave them every piece of property, everything that I have of any value. I have an arrangement made where, from the real estate board in the city of Seattle, there would be one appointed by the committee of the western conference, one appointed by myself, and the two of them appointed the third, to get an absolute appraisal on every parcel that there is.

The CHAIRMAN. Has that appraisal been made?

Mr. BREWSTER. That appraisal is in the makings now. They are appraising it now. I paid interest. And I intend to pay every dime. That will take care of every dime that I owe.

The CHAIRMAN. Over what period of time did you borrow this money?

Mr. BREWSTER. Well, off and on it has probably been 10 or 12 years. I have paid part of it.

The CHAIRMAN. You have been owing some of it for 10 or 12 years?

Mr. BREWSTER. Yes, sir.

The CHAIRMAN. Do you pay interest on it regularly?

Mr. BREWSTER. Yes, sir.

The CHAIRMAN. Do you have receipts for that interest, or records showing that you paid interest on it?

Mr. BREWSTER. The records, I think, will show, I am positive they will show, that there has been interest paid on it.

The CHAIRMAN. Did you give notes for it?

Mr. BREWSTER. Yes, sir, I have had notes, and I have had my property and security up at all times.

The CHAIRMAN. Who approved the loans?

Mr. BREWSTER. Well, the western conference and the executive board of 174. I have paid back everything to 174, including the last. When I picked up all of the loans and made them out as a loan from the western conference, I paid a check for sixteen-thousand-and-some-odd dollars, and there was \$3,000, I believe, of that that was interest.

The CHAIRMAN. When was that paid?

Mr. BREWSTER. I think about 2 years ago, Senator.

The CHAIRMAN. And you put all of your loans into the western conference?

Mr. BREWSTER. Yes, sir.

The CHAIRMAN. What did they amount to at that time?

Mr. BREWSTER. It amounted to 80 some, or pretty close to \$90,000. I think I paid down to—I don't know just how much—\$80,000 some, and I paid down to where it is now. I wouldn't say just exactly how much it was. I have those figures. But I have kept a perfect record of it, and I know that this will make me feel better.

The CHAIRMAN. Mr. Brewster, how long has this practice been going on that high officials of the union borrowed money from union dues?

Mr. BREWSTER. Well, from the funds, I guess it has been going on for quite awhile. I know that we do this: some people, instead of having financed, probably, their homes, we have taken mortgages at different times. I don't think that the practice is wrong if there is security and interest is paid. I think that it is rather a natural.

The CHAIRMAN. You do think it is wrong, though, to borrow and not give security and not pay interest?

Mr. BREWSTER. In my own personal opinion, yes, sir.

The CHAIRMAN. If the information we have is correct, according to his own statement, that he borrowed several hundred thousand of dollars without paying any interest, the president of the international, then you disapprove of it, do you?

Mr. BREWSTER. In my personal opinion, I would.

The CHAIRMAN. You would disapprove of it.

All right. When you say that this \$77,660 for loans as of December 31, 1936 was the amount of your indebtedness, you do not mean to include in that any other indebtedness that you may owe for funds paid out, such as has been testified to here for your personal benefit, and your racing enterprise?

Mr. BREWSTER. That is separate, and I intend to make a check and see that that is paid.

The CHAIRMAN. So you owe whatever that is in addition to the \$77,660?

Mr. BREWSTER. That is true, Senator.

The CHAIRMAN. That amount has not been ascertained?

Mr. BREWSTER. It has not been ascertained, but I feel that this will cover it, and it will just about put me even in the world.

The CHAIRMAN. Counsel wishes to consult with you a moment.

(The committee counsel conferred with the witness.)

The CHAIRMAN. We will resume order.

I will pursue this indebtedness a little further, and, counsel, you may take over the questioning at any time.

As I understand this \$77,000 has not been paid. You simply made a deed to your property. I assume the property is to be sold and the proceeds applied to the payment of this indebtedness? Is that correct?

Mr. BREWSTER. Either that, or they can keep the property themselves. The value of the property is there and it is increasing all the time. This property is worth, I think, quite a bit in excess. What I mean by that is maybe \$20,000 more than the indebtedness, or possibly more. I know it is good property. I hate, myself, to let it go. It is increasing in value, and I think it would be a good thing for them——

(At this point, Senator McNamara entered the hearing room.)

The CHAIRMAN. In other words, you simply conveyed to your creditor everything you have, hoping they can get the money out of it?

Mr. BREWSTER. No, that isn't it. If there is anything it is worth on appraisal, any less than that, I will make the difference up.

The CHAIRMAN. That is what I mean.

Mr. BREWSTER. Yes, sir.

The CHAIRMAN. So far you have just simply deeded or conveyed everything you have in the way of property over to the union?

Mr. BREWSTER. And a warranty deed, they own it.

The CHAIRMAN. They can sell it and get their money out of it?

Mr. BREWSTER. They can sell it?

The CHAIRMAN. Or they can elect to keep the property in settlement of the debt?

Mr. BREWSTER. Yes, Senator McClellan, that is true.

The CHAIRMAN. I just want to get the record straight as to how it is being handled.

Mr. KENNEDY. Our records show, Mr. Brewster, that in addition to the \$77,660 that you owe the Western Conference of Teamsters, that you also owe the Joint Council 28 the amount \$11,100.

Mr. BREWSTER. Joint Council of Teamsters?

Mr. KENNEDY. 28. It is \$10,000 on one loan and \$1,100 on another.

Mr. BREWSTER. \$10,000 and \$1,100? I would like to check that. I don't recall that.

Mr. KENNEDY. You do not know about that?

Mr. BREWSTER. No, sir. I think there must be an error there somewhere.

Mr. KENNEDY. I think this \$10,000 was from the retirement trust fund. Do you remember borrowing \$10,000?

Mr. BREWSTER. No, I don't, because that wouldn't be the joint council. The joint council——

Mr. KENNEDY. I made a mistake. It is western conference and it is retirement trust fund No. 1, and it is in addition to the \$77,660.

Mr. BREWSTER. If that is on there, and I owe that, that will be included in everything that I owe. Everything that I owe will come out of what they have in the warranty deed.

Mr. KENNEDY. But you do not even know how much you owe.

Mr. BREWSTER. I thought that it was that much. There must be two figures there.

Mr. KENNEDY. The Western Conference of Teamsters, \$77,660, from the retirement trust fund No. 1, \$10,000, and from the Joint Council 28, \$1,100.

Mr. BREWSTER. If it is \$88,000—

Mr. KENNEDY. \$88,760.

Mr. BREWSTER. O. K. If that will show that is what I owe, that is what will be paid out.

Mr. KENNEDY. They haven't received any moneys as yet?

Mr. BREWSTER. But they have received value for it.

Mr. KENNEDY. Where are you going to live—

Mr. BREWSTER. The deed is recorded.

Mr. KENNEDY. If they sell your house, where are you going to move to?

Mr. BREWSTER. I am going to try and rent it from them, and I will pay rent every month.

Mr. KENNEDY. Mr. Brewster, we have a list here of your United States savings bonds. Perhaps we can correct that record. It does show that you did not sell any bonds in 1955.

Mr. BREWSTER. Does it show that I sold any stock? Did you check that?

Mr. KENNEDY. No. This is United States savings bonds.

Mr. BREWSTER. I had stock. I had—

Mr. KENNEDY. Could you tell us what stock you had that you sold?

Mr. BREWSTER. I had some stock on that West Virginia Turnpike. I believe I had \$10,000 there. I had stock on that Mackinac, or whatever it is, that bridge that goes from Windsor to Detroit.

Mr. KENNEDY. These are the bonds or stocks that you sold in 1955, to put this deposit of \$10,000?

Mr. BREWSTER. Yes, sir.

Mr. KENNEDY. You sold those West Virginia Turnpike bonds?

Mr. BREWSTER. Yes, sir.

Mr. KENNEDY. In 1955?

Mr. BREWSTER. To the best of my memory, that is what I did. I know that I got rid of everything.

Mr. KENNEDY. And you got the \$10,000 altogether and deposited it in the bank?

Mr. BREWSTER. That is what I believe.

Mr. KENNEDY. That is a pretty large figure.

Mr. BREWSTER. There would be quite a few of those in there back and fourth, I think, that you will find, because it went up to around \$80,000.

Mr. KENNEDY. That is the only one that we cannot account for; that \$10,000.

Mr. BREWSTER. I think that we can show that. You didn't account for any of the bonds.

Senator MUNDT. Who is Jack Esterbrook, E-s-t-e-r-b-r-o-o-k, Mr. Brewster?

Mr. BREWSTER. He is a secretary of a local union in Portland, Oreg.

Senator MUNDT. And who is Fred Verschueren, Jr.? I think he is the auditor of the western conference? You said his father—

Mr. BREWSTER. No. He is the auditor of the joint council and several other local unions in the building, 174.

Senator MUNDT. And who is George Purvis?

Mr. BREWSTER. George Purvis at the present time is an organizer for the Western Conference of Teamsters, and he is located at the present time in Montana.

Senator MUNDT. Our records show, Mr. Brewster, that Jack Esterbrook owes the retirement trust fund \$6,700, and Fred Verschueren owes the Western Conference of Teamsters \$13,340; George Purvis, the organizer, owes the trust fund for retirement \$3,500; you owe it \$10,000. There are also some locals involved. I thought in our discussion the other day, when we were talking about these loans, and some constitutional amendments that might be made to safeguard the dues of John C. Truck Driver in the future, you said that none of the loans were made from these retirement funds, that they were kept inviolate, and that you had an Occidental policy, and that the loans, good or bad, justified or not, were made from this western conference fund which was accumulated from the 20-cent tax and from the strike-fund tax, and so forth. Did I misunderstand you at that time?

Mr. BREWSTER. Yes. I believe that we were talking entirely about the joint pension, health, and welfare, that the employers are involved in. I don't think we went into this discussion.

Senator MUNDT. It could be.

Mr. BREWSTER. Yes. That was my—

Senator MUNDT. Well, will you explain what this retirement trust fund No. 1 is? How is it accumulated and for what purpose?

Mr. BREWSTER. It is the surplus on the amount of moneys that we have as surplus on the retirement for the employees of local unions in the 11 Western States. There is almost 900 that come under it at the present time.

Senator MUNDT. 900 truckers?

Mr. BREWSTER. 900 employees. There is 2 funds, 1 and 2. They were drawn up at different times. They were put into effect at different times. One is 7 cents, the other is 10 cents. The 10-cent one is paid by a contribution from the individual; the other one is not. That one will draw \$100 a month and the other one will draw \$70 a month.

Senator MUNDT. Which is No. 1? Do you know?

Mr. BREWSTER. No. 1 is the one that they participate in themselves.

Senator MUNDT. They pay 10 cents per month?

Mr. BREWSTER. Yes, sir; they pay 10 cents a month in that.

Senator MUNDT. Each dues-paying member pays 10 cents a month into a retirement fund? Then there are about 900 employees in the fund.

Mr. BREWSTER. That is true.

Senator MUNDT. And that fund is accumulated for the purpose of paying them retirement benefits when they reach a certain retirement age, or are incapacitated and have to retire; is that right?

Mr. BREWSTER. At the age of 65—it isn't compulsory retirement—at the age of 65, the one that they receive \$100 a month is put in a

trustee, kept in a trustee, so that they receive that when they do retire. In other words, if they stayed there for 5 years, roughly speaking, they would get about \$6,000 as a check when they retire. Then they would start getting the \$100 a month after that. But they do not get the \$70 a month until the day of retirement.

Senator MUNDT. This is one of the types of funds that I was mentioning the other day when I said it seemed to me that legislation should be enacted which would require the same kind of custodianship over a retirement fund by Federal law as would be provided for people who buy an insurance policy in, say, Penn Mutual, or Prudential Life, or if they deposit their money in a national bank. I think you told me that you felt you would support that kind of legislation. Am I right?

Mr. BREWSTER. That is right. I am not opposed to that type of legislation that will keep those intact just 100 percent.

Senator MUNDT. You have a total here of \$415,590 borrowed from that fund. Not all of it, by any means, by individuals, but some of it by the Western Conference of Teamsters itself, \$245,000, and by the Joint Council No. 37, \$90,000. It seems to me that those funds should not be intermingled, either with loans made to local unions or teamsters associations, or, certainly, to union officials, because these are just pretty important funds to the fellow who pays the dues into the organization. If bad judgment, bad luck, or bad economic times dissipate that fund, those people who depend on retirement checks at the age of 65 are just going to get gypped, are they not?

Mr. BREWSTER. No. This is absolutely a surplus. The amount of employees that we have that come under it are protected. This fund has been increasing from time to time. This is not a part of the funds that you would say that would stop them from getting their 100 in one instance and \$70 in the other. It is absolutely surplus.

Senator MUNDT. It says in the retirement trust fund——

Mr. BREWSTER. Well, that is absolutely surplus. We have protected that to the point that it will not affect anyone that is employed, but he will get his full amount of insurance at the day of retirement for the rest of his natural life.

Senator MUNDT. Mr. Brewster, if you have a surplus of \$415,000 with which to make capricious loans to individuals, then it must follow that you are taxing them too much for their retirement, or else they ought to get a bigger retirement than \$100 a month to take care of the increased cost of living. Wouldn't that be true?

Mr. BREWSTER. Well, the last part of it, I will say this to: At a time that we have had sufficient experience, it is our objective to give them more than that money. What we are trying to do, and we haven't solved it yet, is try to give a little bit to the widow when the man dies himself.

Senator MUNDT. My only concern is that it just seems to me that funds that are kept in trust for the widow, for the fellow who gets injured in line of duty, or the fellow who reaches 65 years of age, should be safeguarded with altogether different types of safeguards, probably, or at least more complete safeguards than just the ordinary dues that he pays to operate his organization. Those come in a different category.

But these are the same kinds of funds that you put into an insurance company.

MR. BREWSTER. In an insurance company, Senator, they are not confined to put their money in just banks or something. There is a certain percentage of the surplus, or certain percentage of the earnings that they have to go into that.

Senator MUNDT. If it is a trust company or a national bank, there are certainly protections against loaning the money to the various officers, or the subsidiaries of the insurance company, or the underwriters.

MR. BREWSTER. They are all protected by security, and so forth. I know this—

Senator MUNDT. I am not questioning whether these loans are good or bad. I am questioning the policy of making loans of this kind with funds of this type which are kept in trust for people in their hour of need. I think that we must be sure that when that hour of need comes, the man gets the money to which he is entitled.

MR. BREWSTER. On all of those loans, we have security, and if we had to have that money, we would get that within a period of 30 days.

Senator MUNDT. That is always a hope, but we never know. If economic conditions go down, none of us can pay the money that we borrow as we anticipated. You recognize in our kind of economy, those things can happen. It is against that kind of contingency that I think we ought to have Federal legislation which would say that funds of this type must be safeguarded. If depression does come, a fellow needs the money more than he does at other times; is that right?

MR. BREWSTER. The same as others, insurance laws. I am not opposed to it.

Senator MUNDT. Would you go so far as to say you favor it?

MR. BREWSTER. O. K.

Senator McNAMARA. Mr. Chairman?

The CHAIRMAN. Senator McNamara.

Senator McNAMARA. There is an indication that when Mr. Sweeney died, he owed the Western Conference of Teamsters considerable amounts of money. Do you know about that?

MR. BREWSTER. Yes, sir.

Senator McNAMARA. Was there any attempt to collect it, or was he solvent upon his passing? You are still carrying it on your books, I see.

MR. BREWSTER. Yes. His home, I believe, would cover it, and his insurance.

Senator McNAMARA. He has been dead for how long, about a year?

MR. BREWSTER. No. Mr. Sweeney died the 6th of November—wait a minute—the 2d of November, last year.

Senator McNAMARA. And the estate has not been settled?

MR. BREWSTER. It has not been probated yet.

Senator McNAMARA. But you are making an attempt to collect this money for the union?

MR. BREWSTER. Absolutely. Within the next 2 weeks that ought to be finished and be finally settled.

Senator McNAMARA. You have every reason to believe that the \$28,000 will be collected?

MR. BREWSTER. I am positive. I am positive.

Senator McNAMARA. Thank you.

Mr. KENNEDY. Mr. Brewster, I now want to go into a matter of some considerable importance that perhaps does not involve you directly, but you have firsthand information about it, or more information perhaps than anyone else.

I want to ask you some questions about it. That is the question of the loans to Mr. Beck.

(The witness conferred with his counsel.)

Mr. KENNEDY. I want to ask you: Do you know of any checks made payable to Dave Beck which were considered as loans for any year from 1949 through 1952, inclusive?

Mr. BREWSTER. Can I see my attorney?

Mr. KENNEDY. Do you want me to read it again to you?

Mr. BREWSTER. I heard it, but can I just discuss it, please?

(The witness conferred with his counsel.)

Mr. KENNEDY. Can I read that to you again?

Mr. BREWSTER. Yes, please.

Mr. KENNEDY. Do you know of any checks made payable to Dave Beck which were considered as loans for any year from 1949 through 1952, inclusive?

Mr. BREWSTER. I could not identify and remember of any checks that were made out to Dave Beck as a loan. As I explained before, I signed checks in blank. But as far as my memory serves me, I do not remember of the checks being made out when I signed them.

Mr. KENNEDY. I have another question. Did you consider any of the money that went to the public relations account in Los Angeles as loans to Dave Beck?

Mr. BREWSTER. I did not.

Senator MUNDT. At any time, Mr. Brewster, when you were signing checks in blank, was the authorized cosigner of those checks Dave Beck?

Mr. BREWSTER. Yes, sir. This time that they refer to, he had the job that I have now. He was chairman of the western conference, and I was secretary.

Senator MUNDT. During the time when the checks which you signed were blank, they would not become effective checks until they were signed by Dave Beck?

Mr. BREWSTER. That is true.

Senator MUNDT. So that during that time, conceivably, you could have had signed checks in your office on which he designated the payee without your knowing who the payee was?

Mr. BREWSTER. That is true.

Senator MUNDT. That payee could have been or could not have been Dave Beck, as the evidence will disclose?

Mr. BREWSTER. That could be done.

Senator MUNDT. That is correct.

The CHAIRMAN. But when those checks came back, when they were cashed and came back, it would be your duty as secretary-treasurer to enter them in the books, would it not, or see that they were entered, and would you not then get the information, and did you not get such information, by reason of the position you occupy?

Mr. BREWSTER. Senator, I think it has already come out in testimony that I relied on the bookkeeper for all of that data and didn't take that

responsibility myself. I want to say this, that I have realized since I have been here, more than any time in my life, that that is my responsibility, and I am positive that I will be right on top of everything in the future.

The CHAIRMAN. In other words, you recognize it is kind of a poor way to run a railroad?

Mr. BREWSTER. Not very good.

Mr. KENNEDY. I have another third question I want to ask you. Did you consider moneys that went to Mr. Nathan Shefferman as loans to Dave Beck?

Mr. BREWSTER. I have no knowledge, to the best of my memory, of that transaction whatsoever. That was strictly between Dave Beck and Shefferman. As I testified, I had very little business with Shefferman, practically nil. Anything, any transaction, between Dave Beck and Shefferman, I had no knowledge whatsoever.

Mr. KENNEDY. Moneys that went from the Western Conference of Teamsters to Mr. Nathan Shefferman you have no knowledge of; is that right?

Mr. BREWSTER. That is right.

Senator MUNDT. Then your answer to that question would be no. He asked you, Did you consider such transactions as loans to Dave Beck?

Mr. BREWSTER. I don't know anything about the transactions.

Mr. KENNEDY. Tell me this: Did Mr. Dave Beck tell you during the period of time 1949 through 1952 that the moneys that were being sent or given to Mr. Nathan Shefferman were actually loans to himself?

Mr. BREWSTER. No, sir.

Mr. KENNEDY. The contractor for the Western Conference of Teamsters has been Mr. Lindsay, is that right?

Mr. BREWSTER. That is true.

Mr. KENNEDY. Mr. John Lindsay?

Mr. BREWSTER. John Lindsay is correct.

Mr. KENNEDY. Did you consider any of the moneys that were sent or given to Mr. John Lindsay as loans to Mr. Dave Beck?

Mr. BREWSTER. No, sir. I had no information to that effect at all.

Mr. KENNEDY. Were you ever told by Mr. Dave Beck that the moneys that were being given or sent to Mr. John Lindsay were, in effect, loans to him, Dave Beck?

Mr. BREWSTER. I was not.

Mr. KENNEDY. Could you tell the committee what was being constructed for the Western Conference of Teamsters during 1952 which Mr. John Lindsay was working on?

Mr. BREWSTER. Yes, sir. We constructed a building at 553 John Street, in Seattle.

Mr. KENNEDY. That is the corner of Taylor and John Streets?

Mr. BREWSTER. Well, now, the new building goes to the corner, counselor, it goes up to the corner. But at that time there was a small building on the corner at that time that it adjoined. We moved that building off to another location, and we are renting that at the present time. That is part of the building association. We built that building, starting building it, I believe, in about 1952—was it?

Mr. KENNEDY. 1950, I believe.

Mr. BREWSTER. I don't think it was that far back.

Mr. KENNEDY. You took the permit out in September of 1950.

Mr. BREWSTER. Well, I didn't think it was that far back, and it might have been after the permit. It might have been quite awhile before—well, I think we moved in there in 1955.

Mr. KENNEDY. Let's start back in 1950. How much work was done by Mr. Lindsay between 1950 and 1952?

Mr. BREWSTER. The only work that he has done, to my knowledge, for the Western Conference of Teamsters, is that construction that you probably know of out there at 553 John Street.

Mr. KENNEDY. That is a 1-story office building?

Mr. BREWSTER. No. It is considered a 3-story office building. The lower level is up a ways so that we use that for offices and so forth. It is really a 3-story building. I think there is, roughly speaking, about 6,000 square feet in the building.

Mr. KENNEDY. What was the cost of that building to the Western Conference of Teamsters?

Mr. BREWSTER. I have seen those figures, and I have seen an estimate of the cost of the new one. I might get them a little twisted. I think the new one is a little bit more than the old one. I would say, from just memory on the figures, around \$175,000.

Mr. KENNEDY. \$175,000 for the one building?

Mr. BREWSTER. For the one building, yes, sir.

Mr. KENNEDY. Do you get those figures from how much was paid out to Mr. Lindsay, or do you get those figures from what the value of the building was?

Mr. BREWSTER. No, I believe that that job was kept separate. I don't know whether you have ever built a building, but the contractor comes in and he says that he needs money and so forth, and we give him the check for the money, and he has to pay labor and materials and so forth.

Have you got the figure of that building there?

Mr. KENNEDY. We have the cost of the building here, the owner's value, as \$25,000.

Mr. BREWSTER. That was the building—wait. We are getting mixed up.

That is the small building that was built, I think, in 1950 that was the insurance building, the administration building, that we moved off.

Mr. KENNEDY. What about this other building you are talking about? When did that start?

Mr. BREWSTER. I think that started in 1953.

Mr. KENNEDY. I am not talking about 1953. I am talking about 1950, 1951, and 1952. There were other buildings started in 1953. But 1950, 1951, and 1952, other than this one building of \$25,000 is what I am talking about.

Mr. BREWSTER. I was under the impression it was more than that. I know it was closer to \$35,000.

Mr. KENNEDY. Let us assume it was \$35,000.

Mr. BREWSTER. Yes.

Mr. KENNEDY. Could you explain why the Western Conference of Teamsters paid to Mr. John Lindsay from January 9, 1951, through December 20, 1951, \$91,840?

Mr. BREWSTER. I cannot.

Mr. KENNEDY. Can you explain why the Western Conference of Teamsters paid to Mr. John Lindsay from January 29, 1952, to December 4, 1952, \$54,838.80?

Mr. BREWSTER. I cannot.

Mr. KENNEDY. Did you know that Mr. Beck was doing some construction work at his own home at that time?

Mr. BREWSTER. I know that there was construction out there at that time; yes.

Mr. KENNEDY. Do you know that during this period of time one of the things that he was building was a swimming pool?

Mr. BREWSTER. I don't know when that swimming pool was put in.

Mr. KENNEDY. Do you know that Mr. Lindsay did some of his construction work, for Mr. Dave Beck?

Mr. BREWSTER. I believe he was the contractor.

Mr. KENNEDY. Do you know that he did some of the construction work on Mr. Norman Gessert's home?

Mr. BREWSTER. I do not. But they were all in that area. I think there were 5 or 6 homes around there.

Mr. KENNEDY. Property which was owned by Mr. Dave Beck; is that right?

Mr. BREWSTER. That is true.

Mr. KENNEDY. And Mr. Jack Stackpoole's home?

Mr. BREWSTER. Stackpoole was another one that had a home.

Mr. KENNEDY. And that was a home within the property owned by Mr. Dave Beck; is that correct?

Mr. BREWSTER. That is right.

Mr. KENNEDY. Did you know the construction work for those homes was going on during this period of time?

Mr. BREWSTER. I believe it was. I think it was about the same time. I don't know the exact dates, but I know the comparative time, I believe, which was about that time.

The CHAIRMAN. Mr. Brewster, do we understand that during the period of time referred to that all that the western conference built was one small building that cost approximately \$35,000, according to your best estimate?

Mr. BREWSTER. As far as I remember.

The CHAIRMAN. And during that same period of time, you paid out to this man Lindsay, the western conference paid to the man Lindsay, a contractor, a total of \$146,678. Can you explain where that \$111,000 went to?

Mr. BREWSTER. I cannot. The only thing that I can say is that was done, and a check that I had signed in blank was made out.

The CHAIRMAN. You had signed the checks in blank?

Mr. BREWSTER. I think that was the way that it must have been done.

The CHAIRMAN. Well, you signed them as secretary-treasurer, whether you signed them in blank or signed them after they were filled out?

Mr. BREWSTER. That is true.

The CHAIRMAN. During that period of time, Mr. Beck was building his own home; was he?

Mr. BREWSTER. Yes; I believe he was.

The CHAIRMAN. There is no other contract, no other construction anywhere that the Western Conference of Teamsters would owe Mr. Lindsay for, except the one small building?

Mr. BREWSTER. That is all that I remember.

The CHAIRMAN. Then if you signed these checks in blank, who else had to sign them before they could be cashed, during that period of time?

Mr. BREWSTER. Mr. Beck.

The CHAIRMAN. Mr. Beck. Was there an entry made on the books anywhere, at any time during that period, that these moneys would be in advance or paid to Mr. Lindsay for the benefit of Mr. Beck for the construction of his home?

Mr. BREWSTER. I do not recall any. I don't remember of any.

The CHAIRMAN. Was any notation made on the books, any entry, indicating that this money was loaned to Mr. Beck during that time?

Mr. BREWSTER. I have no memory of a record.

The CHAIRMAN. You had no knowledge that the money was being used for that purpose?

Mr. BREWSTER. I didn't.

The CHAIRMAN. Or that it was being advanced in the nature of loans to Mr. Beck?

Mr. BREWSTER. Only to the point that by that time, Mr. Beck told me that he was going to have to borrow some money, and that he had taken it up with members of the policy committee.

The CHAIRMAN. You were a member of the policy committee, were you not?

Mr. BREWSTER. Yes, sir.

The CHAIRMAN. Did he take it up with you?

Mr. BREWSTER. Well, he talked to me about it then. That is what I am talking about.

The CHAIRMAN. I mean, did he take it up at a policy meeting?

Mr. BREWSTER. Not at a meeting; no, sir.

The CHAIRMAN. It was not taken up at any meeting of the policy committee?

Mr. BREWSTER. He said that he talked to them as individuals.

The CHAIRMAN. Just talked to them as individuals?

Mr. BREWSTER. Yes.

The CHAIRMAN. Were there any minutes made of those conversations?

Mr. BREWSTER. I don't recall any.

The CHAIRMAN. Is there any record in the minutes of the policy committee of the western conference reflecting these transactions?

Mr. BREWSTER. I do not believe there is.

The CHAIRMAN. Proceed, Mr. Counsel.

(The witness conferred with his counsel.)

Mr. KENNEDY. Mr. Chairman, could I call Mr. Bellino as a witness on this point?

(Members present at this point: The Chairman, Senators McNamara, Mundt, and Goldwater.)

The CHAIRMAN. Mr. Bellino, take the stand, please.

TESTIMONY OF CARMINE S. BELLINO—Resumed

The CHAIRMAN. Mr. Bellino, you have been previously sworn.

Proceed, Mr. Counsel.

(At this point, Senator McNamara withdrew from the hearing room.)

Mr. KENNEDY. Mr. Bellino, you have examined the books of the teamster organization, including the Western Conference of Teamsters and the Joint Council 28 Building Association?

Mr. BELLINO. Yes, sir.

Mr. KENNEDY. In those books that have been made available to you, and the records, do you find anywhere in any of them any indication that there were any loans to Mr. Dave Beck?

Mr. BELLINO. No, sir.

Mr. KENNEDY. Do you find, in fact, that there were no loans to Mr. Dave Beck?

Mr. BELLINO. That is correct.

Mr. KENNEDY. Have you examined the Joint Council 28 Building Association loans receivable?

Mr. BELLINO. Yes, sir.

Mr. KENNEDY. And you have made up a mimeographed paper based on your findings on that study?

Mr. BELLINO. Yes, sir.

Mr. KENNEDY. Is there listed thereon the records that they make available to the Treasury Department, on form 990?

Mr. BELLINO. Form 990, the annual return of organizations exempt from income tax under section 101.

The CHAIRMAN. May I ask the witness if this mimeographed form which has been prepared, if it is a recapitulation of the records, taken actually from the records of this joint council, 28?

Mr. BELLINO. It is a recapitulation of the information contained from the records of Joint Council 28 Building Association.

The CHAIRMAN. All right. In other words, this mimeographed statement here actually truly reflects the record?

Mr. BELLINO. Yes, sir.

The CHAIRMAN. All right.

Mr. KENNEDY. There is one correction; is there not, Mr. Bellino?

Mr. BELLINO. There is one correction on August 1954, the cash receipts book reflects a loan payment made by Dave Beck of \$200,000 and not \$20,000.

Mr. KENNEDY. Looking over the form 990, did you find that the loans receivable as of December 31, 1953, was \$7,422.89?

Mr. BELLINO. Form 990 so reflected, \$7,422.89, and a financial statement in their files reflected who owed that money listed as an asset of the Joint Council of Teamsters No. 28 Building Association.

Mr. KENNEDY. That was the only money that was owed to the Joint Council 28 Building Association; is that right?

Mr. BELLINO. According to the records; yes.

Mr. KENNEDY. According to its own records and the records filed under oath with the Treasury Department?

Mr. BELLINO. Yes, sir.

Mr. KENNEDY. For the balance, December 31, 1954, you found \$4,000; is that right?

Mr. BELLINO. On the 1953.

Mr. KENNEDY. And then December 31, 1954?

Mr. BELLINO. At the end of 1954, on a financial statement which they rendered, there is \$54,000.

Mr. KENNEDY. All right. Let us go down to the schedule at the bottom of the page. At the beginning of the year January 1, 1950, you found the loans receivable to be \$15,638.40; is that right?

Mr. BELLINO. Yes, sir.

Mr. KENNEDY. On that form 990, at the end of the year, it showed \$17,773.66?

Mr. BELLINO. Yes, sir. On the return made for the year 1950, those are the beginning and ending figures so reflected.

Mr. KENNEDY. And the year 1951, they say that they were only owed \$17,773.66, right?

Mr. BELLINO. Yes, sir.

Mr. KENNEDY. And then at the end of the year it is \$14,034.42?

Mr. BELLINO. Yes, sir.

The CHAIRMAN. These forms, I might explain, are filed at the end of the year, and they say what the situation is at the beginning of the year and the end of the year?

Mr. BELLINO. That is correct.

Senator MUNDT. Are these forms filed with the Federal Government?

Mr. BELLINO. Yes, sir.

Mr. KENNEDY. Do you have the forms here?

Mr. BELLINO. We have copies of them which they provided us from their files.

Mr. KENNEDY. The teamsters?

Mr. BELLINO. The teamsters; yes.

Senator MUNDT. Are they accompanied by a sworn statement as to accuracy?

Mr. BELLINO. Yes, sir.

Mr. KENNEDY. And they are signed by Frank Brewster; is that right?

Mr. BELLINO. The 1951 form has the name of Frank Brewster appearing, and Donald McDonald.

The CHAIRMAN. I would like to have each one of those inserted into the record, the forms that you have obtained, copies of which you have obtained from the files of this Joint Council 28 Building Association.

Let them be made exhibit 112-A, B, C, D, E, and F.

There are six of them; is that correct?

Mr. BELLINO. Yes, sir.

The CHAIRMAN. Do you have all six?

Mr. BELLINO. Yes, sir.

The CHAIRMAN. For the years, 1950, 1951, 1952, 1953, 1954, and 1955?

Mr. BELLINO. Yes, sir.

The CHAIRMAN. They may be made exhibits as indicated by the Chair, for reference.

(The documents referred to were marked "Exhibits 112-A, 112-B, 112-C, 112-D, 112-E, and 112-F," for reference and will be found in the appendix on pp. 1483-1502.)

Mr. KENNEDY. In the year 1952, the figure at the beginning of the year was \$14,034.42, which is, of course, the same as the end of the year of 1951.?

Mr. BELLINO. That is correct, sir.

Mr. KENNEDY. Then at the end of 1952, it is \$10,311.17?

Mr. BELLINO. \$10,811.17.

Mr. KENNEDY. Then the beginning of the year 1953, again, it is \$10,811.17?

Mr. BELLINO. Yes, sir.

Mr. KENNEDY. And which would be the same as the end of the year 1952; right?

Mr. BELLINO. That is correct.

Mr. KENNEDY. Then at the end of the year 1953, it is \$7,422.89?

Mr. BELLINO. Yes, sir.

Mr. KENNEDY. So at the end of December 1953, the Joint Council 28 Building Association said that all that they were owed was \$7,422.89?

Mr. BELLINO. That is correct.

Mr. KENNEDY. You will find in the year 1954, the beginning of 1954, that the building association then says that they were owed \$257,422.89?

Mr. BELLINO. Yes, sir. What they did there, they plugged the figure.

Mr. KENNEDY. By \$250,000?

Mr. BELLINO. By \$250,000; yes, sir.

Mr. KENNEDY. They added \$250,000 to the figure?

Mr. BELLINO. Yes, sir.

The CHAIRMAN. In other words, they just wrote 25 in front of the \$7,422.89?

Mr. BELLINO. Yes, sir.

The CHAIRMAN. In other words, on December 31, the last day of 1953, their records show that they were owed only \$7,422.89?

Mr. BELLINO. Yes, sir.

The CHAIRMAN. The next morning, January 1, by placing 25 in front of the \$7,422.89, the next morning they had their records showing they are owed \$257,422.89?

Mr. BELLINO. Well, I wouldn't say it was the next morning. It was a year later that they made their records show. They went back.

The CHAIRMAN. I mean after their records were given a little treatment, they showed as of the next morning that figure?

Mr. BELLINO. Yes, sir.

The CHAIRMAN. All right.

But do you have the original record that indicates where the change was made?

Mr. BELLINO. Yes, sir. Not the original, but we have the copy which was filed. That is the only notation. You see, the records which are kept are not what you would call really accounting records of double-entry system. They are just a receipts and disbursements book, and they could very easily just lose track of any assets. Of course, they could put back the assets any time they want to, if they wanted to.

The CHAIRMAN. In other words, there is a discrepancy unless a loan was made in the morning. Unless that \$250,000 loan was made in the morning or on the day of the first of the year 1954, then these figures are inaccurate, untruthful, and not a correct statement of their affairs?

Mr. BELLINO. They were false; yes.

The CHAIRMAN. Do you find anywhere in their records where, on January 1, 1954, they show any loans amounting to \$250,000?

Mr. BELLINO. No, sir.

The CHAIRMAN. They show no records of any loan on that day?

Mr. BELLINO. No, sir.

The CHAIRMAN. Either in that amount or any other amount?

Mr. BELLINO. That is correct.

Mr. KENNEDY. Mr. Bellino, is it true that the Internal Revenue Department became interested in Mr. Beck's activities during 1954?

Mr. BELLINO. They became interested in January of 1954, and they interviewed him in March of 1954.

Mr. KENNEDY. In the middle of 1954, in August of 1954 specifically, does a check for \$200,000 appear in the books of the Building Association Joint Council 28?

Mr. BELLINO. Yes, sir. The cash receipts for the month of August 1954 contains an entry which reads B & B Investment Co., loan payment, Dave Beck, \$200,000.

Mr. KENNEDY. Let me ask you again: Were there any records of any kind that show that this loan of \$200,000 had been made to Dave Beck?

Mr. BELLINO. No, sir.

Mr. KENNEDY. In any of the interviews that you have had with any of the officials of the teamsters union, did anybody know that any loans were being made to Dave Beck during this period of time, prior to 1954?

Mr. BELLINO. No direct loans of the nature where checks were issued or where records were kept saying that Dave Beck owed so much to the union.

Mr. KENNEDY. We have found, have we not, that certain moneys of the Western Conference of Teamsters and certain teamster unions ended up in the account of Mr. Dave Beck, were used for the benefit of Mr. Dave Beck?

Mr. BELLINO. Yes, sir.

Mr. KENNEDY. At the end of the year, December 31, 1954, we find that the loans receivable are then \$54,000?

Mr. BELLINO. \$54,000. Actually, it is only \$4,000 from the loan records.

Mr. KENNEDY. Actually only \$4,000, but still the \$50,000 to pay; is that right?

Mr. BELLINO. Yes.

Mr. KENNEDY. And that goes on into the year 1955, \$54,000 at the beginning and \$54,000 at the end of 1955?

Mr. BELLINO. Yes, sir.

Mr. KENNEDY. But the only loan that was shown has nothing to do with Dave Beck, this \$4,000; is that right?

Mr. BELLINO. That is correct.

Mr. KENNEDY. \$3,500 to the club of Veterans of Foreign Wars and \$500 to the Olympic Steam Heat?

Mr. BELLINO. That is correct.

The CHAIRMAN. Do I understand that in this \$54,000 shown here to be owed on the last day of the year 1954 and the first day of the year 1955, and also on the last day of the year 1955, that there is no record showing those loans other than \$4,000?

Mr. BELLINO. That is correct.

The CHAIRMAN. In other words, there is nothing to indicate who owes the other \$50,000?

Mr. BELLINO. Not from their records, except their own figure of \$50,000 added. But there is no record notation showing even that \$50,000.

The CHAIRMAN. But it does not identify the debtor?

Mr. BELLINO. No, sir; that is correct.

The CHAIRMAN. So someone examining the books would not know who owed the money?

Mr. BELLINO. That is correct.

The CHAIRMAN. Except the \$4,000?

Mr. BELLINO. That is correct.

The CHAIRMAN. \$50,000 of it is unexplained and not identified, insofar as the records are concerned?

Mr. BELLINO. That is correct.

Mr. KENNEDY. Were there any other moneys paid to the teamsters' union by Mr. Dave Beck since 1954?

Mr. BELLINO. Yes, sir.

Mr. KENNEDY. How much money was paid?

Mr. BELLINO. A total of \$70,110.16 in addition to the \$200,000.

Mr. KENNEDY. Making a total of how much?

Mr. BELLINO. \$270,110.16.

Mr. KENNEDY. This is the amount of money that he said he had been borrowing from the union?

Mr. BELLINO. That is correct.

Mr. KENNEDY. And this is the amount of money that we have found that there is no record of that he borrowed the money from the union?

Mr. BELLINO. That is correct.

The CHAIRMAN. But we did find that that amount or a similar amount was taken from the union and used for his personal benefit?

Mr. BELLINO. That amount and possibly more.

Mr. KENNEDY. From the years that we have examined, from 1948 to 1952; is that right?

Mr. BELLINO. We have examined from 1949 and 1950 to 1955.

Mr. KENNEDY. But the amount of money that we have found that was taken from the teamsters' union covered the years from 1948 through 1952?

Mr. BELLINO. 1953, part of.

Mr. KENNEDY. Part of 1953?

Mr. BELLINO. Yes, sir.

Mr. KENNEDY. And that amounts to at least \$270,000?

Mr. BELLINO. Yes, sir.

Mr. KENNEDY. And there is no record whatsoever of those moneys going out as loans to Mr. Dave Beck?

Mr. BELLINO. That is correct.

Mr. KENNEDY. There is no record at all showing that they were listed as loans to Dave Beck?

Mr. BELLINO. As loans or advances to Dave Beck.

Mr. KENNEDY. And we found in many instances, did we not, that the moneys went through third parties and ultimately ended up for the benefit of Dave Beck?

Mr. BELLINO. Yes, sir.

Mr. KENNEDY. Such as the money being sent to a public-relations account in Los Angeles and then being sent from there to Chicago?

Mr. BELLINO. That is correct.

Mr. KENNEDY. We found that that money was ultimately used for the benefit of Mr. Dave Beck; is that correct?

Mr. BELLINO. Yes, sir.

Mr. KENNEDY. And there is nothing in the record that indicates or shows that that was listed as a loan to Mr. Dave Beck?

Mr. BELLINO. That is correct.

Mr. KENNEDY. Or that any of the officials of the union knew that that money was ending up for the benefit of Mr. Dave Beck?

Mr. BELLINO. That is correct.

The CHAIRMAN. Is there anything in the minutes anywhere granting the loan, authorizing the loan to Mr. Dave Beck?

Mr. BELLINO. No, sir; not the minutes made available to us.

The CHAIRMAN. I understand some of them are not available.

Mr. BELLINO. That is right.

Mr. KENNEDY. Mr. Chairman, we have finished as far as Mr. Dave Beck's loans or Mr. Dave Beck's financial transactions at this time.

We have another matter that we felt should go into the record prior to Mr. Brewster leaving the city. Shall we go on with that?

The CHAIRMAN. Go right ahead.

(Members present at this point: The chairman, Senators Mundt and Goldwater.)

TESTIMONY OF FRANK W. BREWSTER, ACCOMPANIED BY HIS COUNSEL, JERRY N. GRIFFIN AND JOHN K. PICKENS—Resumed

The CHAIRMAN. Mr. Brewster, before they go to another matter, you have heard the testimony of Mr. Bellino, the accountant of this committee who has checked the records. During that period of time, did you have any knowledge that Mr. Beck owed this Joint Council 28 Building Association loans amounting to \$250,000?

Mr. BREWSTER. I did not.

The CHAIRMAN. You never knew it?

Mr. BREWSTER. No, sir.

The CHAIRMAN. When did you first learn about it?

Mr. BREWSTER. I don't remember when it was.

The CHAIRMAN. When did you first learn about it and how?

Mr. BREWSTER. I learned about it when it was paid back, I believe.

The CHAIRMAN. That is your first knowledge of it?

Mr. BREWSTER. Of the amounts. I knew that he owed, or he told me that he was borrowing. But if you mean the amounts I first—

The CHAIRMAN. Did he tell you that he was borrowing from this building association of the joint council?

Mr. BREWSTER. Yes, sir. I think I testified to that effect, that I said that he told me that he was going to have to borrow—

The CHAIRMAN. You testified that he told you he was going to have to borrow some money.

Mr. BREWSTER. Yes, and then I took it for granted that he did.

The CHAIRMAN. He may have. But did you take it for granted without his telling you that he was borrowing union funds?

Mr. BREWSTER. No, I didn't.

The CHAIRMAN. So you took for granted he made arrangements like other people and borrowed some money from the building out there, but you had no knowledge?

Mr. BREWSTER. No, sir.

The CHAIRMAN. No information?

Mr. BREWSTER. No, sir.

The CHAIRMAN. And you indulged no assumption that he was borrowing money from the union?

Mr. BREWSTER. Not to this amount.

The CHAIRMAN. Sir?

Mr. BREWSTER. Not to this amount. That is certain.

The CHAIRMAN. To what amount did you have an assumption?

Mr. BREWSTER. I didn't know any amount, but I didn't feel it would be anything like this.

The CHAIRMAN. Mr. Brewster, if you had any reason to think he was borrowing money, would it not be your duty, occupying the position you did, to know the amount, and see that proper records were kept of it?

Mr. BREWSTER. Mr. Senator, I trusted the man.

The CHAIRMAN. I am not talking about that. I am talking about your duty.

Mr. BREWSTER. Well, duty and trust are probably different. My duty I neglected, the trust I did not.

The CHAIRMAN. Your trust has been misplaced, do you feel?

Mr. BREWSTER. Do I have to answer that?

The CHAIRMAN. No, you do not have to answer that.

All right, proceed.

Mr. KENNEDY. While we are getting this other document, Mr. Brewster, I was wondering if you are familiar with an interview that Mr. Beck gave to Mr. Mollenhoff of the Washington Bureau of the Des Moines Register in December 1954, in which he said:

"No union official can justify borrowing \$10 or \$10,000 through any employee pension or insurance fund, or from a union's petty cash." President Dave Beck of the teamsters declared Thursday. "It is wrong and not in the best interest of the union members. I won't put up with it from the highest or the lowest union member."

Mr. BREWSTER. I don't recall that speech.

Mr. KENNEDY. Do you think that what he had in mind was that you cannot borrow but it is all right just to take it?

(The witness conferred with his counsel.)

Mr. BREWSTER. I don't think I care to comment on that.

Mr. KENNEDY. O. K.

I want to see if you will identify for us this form 990, where you have at the beginning and the end of the calendar year 1953 on the loans \$7,422.89.

(Document handed to witness.)

(The witness conferred with his counsel.)

The CHAIRMAN. For the record, what is the document presented to the witness? It is a photostatic copy of what?

Mr. KENNEDY. It is exhibit No. 112, Mr. Chairman, the form 990.

Mr. BREWSTER. It is form 990.

Mr. KENNEDY. What do you read the loans receivable for the end of the year 1953, up there at the top? \$7,422?

Mr. BREWSTER. \$7,422.89.

Mr. KENNEDY. That is for the end of year 1953?

Mr. BREWSTER. Yes, because it was made May 4.

Mr. KENNEDY. Then it says at the bottom there, where you signed:

We, the undersigned, president, or vice president, and treasurer or assistant treasurer of the organization for which this return is made, declare under the penalties of perjury that this return has been examined by me and is to the best of my knowledge and belief, a true, correct, and complete return made in good faith for the taxable year stated pursuant to the Internal Revenue Code and the regulations issued thereunder.

Then it is signed.

Now I ask you to examine for the year 1954. Tell us what it says there for the beginning of the year 1954.

(Document handed to witness.)

Mr. BREWSTER. Under "Notes receivable," \$257,422.89.

Mr. KENNEDY. Could you tell us how it grew, from December 31, 1953, to January 1, 1954, \$250,000?

Mr. BREWSTER. No, I couldn't.

Mr. KENNEDY. You signed both of them.

Mr. BREWSTER. I know it. I told you that I just signed them as a matter of form. I didn't examine.

Senator MUNDT. Who prepared the statement that you signed?

Mr. BREWSTER. Our bookkeeper. I think it is the practice of pretty near everybody in the United States that is in a labor organization. They have their bookkeeper, accountant, or whatever it is, and they come in and say "I made this out. Sign it."

Senator MUNDT. Had you any reason to ever doubt the honesty of your bookkeeper?

Mr. BREWSTER. No, I didn't. I don't know what happened. I think that is really common procedure.

Senator MUNDT. I think that is right, but I was just wondering if there was any reason that you could think of why your bookkeeper would pad up that amount by \$250,000.

Mr. BREWSTER. No. I am at a loss.

Senator MUNDT. When you signed it, you would presume, I assume, that your bookkeeper had found in the books something to justify the figure of \$250,000; is that correct?

Mr. BREWSTER. That is correct.

Senator MUNDT. And our examination of the books fails to disclose that. You can think of no reason? Your bookkeeper has never been under suspicion or fired for deception or anything of that kind? You have every reason to believe that your bookkeeper is honest; is that right?

Mr. BREWSTER. I did, yes. He has been there, I think, 9 years, or something like that.

Senator MUNDT. Is the bookkeeper still on the job?

Mr. BREWSTER. Yes, he is.

Senator MUNDT. He is the same bookkeeper?

Mr. BREWSTER. Yes, sir.

The CHAIRMAN. Mr. Brewster, would that not alert your attention on the amount of those loans reported for January 1, 1954, since they had been so small previous to that? Would that not kind of startle you and cause you to be interested in finding out what happened?

Mr. BREWSTER. As I said before, I just took this as a matter of form, to sign forms.

The CHAIRMAN. Is it a fact, Mr. Brewster, that you spent most of your time looking after horseracing instead of looking after the union's business?

Mr. BREWSTER. No, sir; it is not.

The CHAIRMAN. All right.

Mr. KENNEDY. Can we get this other matter in now?

The CHAIRMAN. Yes.

(Members present at this point: The Chairman, Senators Mundt, and Goldwater.)

TESTIMONY OF CARMINE S. BELLINO—Resumed

Mr. KENNEDY. I want to ask you, Mr. Bellino, if you have also made a study of the loans receivable for local 174?

Mr. BELLINO. Yes, sir.

Mr. KENNEDY. Can you describe the situation that you found there?

Mr. BELLINO. With respect to the loans of 174, we found, for instance, at the end of December 31, 1955, total loans as reported by the union to the Treasury Department on form 990 of \$30,794.05. However, from a review of the loan records which they made available, plus their receipts and disbursements during this period, the loans should have been at that time \$63,615.54. In other words, approximately \$33,000 in loans just disappeared.

Specifically, you might take as an example the loans which were made to joint council 28 convention fund. \$3,000 was loaned by 174 to joint council 28 convention fund in 1952. At the end of 1952, on the reports prepared by local 174, they omitted this item as an asset. It just disappeared.

Likewise, in 1953, \$12,000 was loaned to joint council convention fund and again at the end of the year that amount, plus \$3,000 previously loaned, had disappeared, or \$15,000 at that time.

Mr. KENNEDY. What do you mean when you say disappeared?

Mr. BELLINO. It disappeared in that there is no other record maintained to show that local 174 had coming to it from the joint council convention fund a total of \$15,000.

The CHAIRMAN. It also reflects no repayments?

Mr. BELLINO. No payment of any kind. Similarly, \$1,000 was loaned in 1954. So that the total of \$16,000 loaned by local 174 does not appear on the financial statement issued at the end of December 31, 1954. Likewise, December 31, 1955.

There are several instances of the same nature in connection with other loans made.

The CHAIRMAN. Do you have a list of them? Have you recapitulated a list of them?

Mr. BELLINO. Yes, sir.

The CHAIRMAN. Are they reflected on a mimeographed sheet that you have prepared?

Mr. BELLINO. Yes, sir. That is headed "Loans Receivable at December 31, 1955," as per our investigation, and as per the amounts shown by Mr. Verschueren, the bookkeeper for local 174.

The CHAIRMAN. That may be made exhibit No. 113.

(The document referred to was marked "Exhibit No. 113," for reference, and will be found in the appendix on p. 1503.)

Mr. KENNEDY. Do you have some other instances there?

Mr. BELLINO. Another instance would be the loan of A. J. Greer, who was an officer of local 174. The records reflect that Greer was loaned \$1,000 in June 1950. No payment was ever made on that loan. However, in 1953, there was an item of \$573.33 shown as a receipt which came from the joint council legislative fund, supposedly to be applied against Greer's loan. However, at the end of the year, they listed that one still as an open account, and subsequently dropped, in the year of 1954 or 1955.

Mr. KENNEDY. They took money from one union and gave it to this joint council, or, local 174, rather, and said that was the payment for the loan of one of the officials, is that right?

Mr. BELLINO. That is correct.

Mr. KENNEDY. And, actually, it was not money from the official at all, but it was just money from another teamsters' union?

Mr. BELLINO. That is correct. I believe he had died in the meantime and this payment was made from this other fund.

Senator GOLDWATER. May I ask a question?

The CHAIRMAN. Senator Goldwater.

Senator GOLDWATER. On the large worksheet, it shows the Clearbrook Stock Farms at the beginning of 1954, \$13,000. Was there any indication as to how that was cleared up in that year?

Mr. BELLINO. That was paid by a check from the Western Conference of Teamsters in the amount of sixteen thousand, one-hundred-and-some-odd dollars. It was a loan that Mr. Brewster obtained from the Western Conference of Teamsters to pay off this loan to local 174.

Senator GOLDWATER. Did you ascertain how the statement of the western conference handled that transaction?

Mr. BELLINO. They treated that as a loan to Mr. Brewster.

Senator GOLDWATER. And still carried it?

Mr. BELLINO. Yes, sir. It was subsequently paid off and it included only a balance of \$80,000 which had been also loaned to Mr. Brewster at that time.

Senator GOLDWATER. Was the \$3,100 excess for interest?

Mr. BELLINO. \$2,105 was interest, \$1,005.07, I think, was miscellaneous advances, called miscellaneous advances. There was no other identification.

Senator GOLDWATER. How did they handle that one-thousand-odd dollars in 174?

Mr. BELLINO. They took it as income.

Mr. KENNEDY. Can we have some of these others put into the record, Mr. Chairman?

The CHAIRMAN. Indicate which one.

Mr. BELLINO. This is a summary of the loans receivable by Joint Council 28, showing the balances at the end of each year from December 31, 1952, 1953, 1954, and 1955. This was prepared from an examination of the record of joint council 28.

This is one of joint council 28.

The CHAIRMAN. It may be made exhibit No. 114.

(The document referred to was marked "Exhibit No. 114," for reference and will be found in the appendix on p. 1504.)

Mr. BELLINO. We also have a summary of the loans of the Western Conference of Teamsters, showing the balances at January 1, 1954, December 31, 1954; December 31, 1955; and December 31, 1956, which was likewise made from the records made available to us.

Do you want to make that an exhibit, Senator?

The CHAIRMAN. It may be made exhibit 115.

(The document referred to was marked "Exhibit No. 115," for reference and will be found in the appendix on pp. 1505-1506.)

Senator MUNDT. Do you know, Mr. Bellino, who these other people are who borrowed money?

For example, Mr. William Rhemford, who borrowed \$3,400, do you know who he was?

Mr. BELLINO. No, sir; except that I believe he may have been a union member. Other than that, I do not know.

Senator MUNDT. Mr. Brewster, do you know Mr. William T. Rhemford?

Mr. BREWSTER. Yes, sir; I do.

Senator MUNDT. Will you identify him?

Mr. BREWSTER. Yes. That is covered by a mortgage on his home.

Senator MUNDT. I was inquiring about him. What is his job?

Mr. BREWSTER. John C. Truck Driver.

Senator MUNDT. John C.? Good for him. By golly, he has been paying it back, too.

Do you know Mr. Charles Johnson, Mr. Bellino?

Mr. BELLINO. I believe there was a Charles Johnson who was connected with the pinball business in some way.

Possibly Mr. Brewster can explain that.

Senator MUNDT. How about Mr. Charles Johnson, do you know him?

Mr. BREWSTER. Yes, he is, he has a route of pinballs.

Senator MUNDT. In Portland where they are gambling devices or in Seattle where they use them on Sunday-school picnics?

Mr. BREWSTER. No. This is the Sunday-school part.

Senator MUNDT. This is in Seattle.

Mr. KENNEDY. I think they make about \$5 million a year from them.

Mr. BREWSTER. I wouldn't guess.

Mr. KENNEDY. There is a gambling tax in Seattle, I understand, and they get about \$3 million a year.

Mr. BREWSTER. You mean the amusement tax. That is what they call it.

Mr. KENNEDY. They are the same kind of machines as in Portland?

Mr. BREWSTER. I don't know what is in Portland. I haven't been around Portland much.

Also Chuck Johnson or Charley Johnson has borrowed money from time to time, and he puts up very good collateral, and so forth, and he carries a card in 174. He has been an oldtime John C. Truck Driver.

Senator MUNDT. Very good. That is what we are looking for.

How about Mr. A. H. Evans, Mr. Bellino, do you know who he is?

Mr. BELLINO. I believe Mr. Brewster might be able to shed a little light on Evans, too.

Senator MUNDT. Mr. A. H. Evans?

Mr. BREWSTER. Yes, sir. Evans is a business agent for a local union in Washington, and this is a mortgage on his home. He built it. He was stuck and it came before the regular channels.

Senator MUNDT. Does this mean that he has paid it off entirely now, that it dropped from \$2,750 to \$750, and then it disappeared?

Mr. BELLINO. It was paid off.

Senator MUNDT. Mr. Bellino says it was paid off, Mr. Brewster.

Mr. BREWSTER. Altogether; yes.

Senator GOLDWATER. Mr. Bellino, I have one item on joint council 28, Western Recording, what is that organization?

Mr. BELLINO. I really don't know, except maybe it is an amusement business, too. Possibly Mr. Brewster may be able to explain that.

Senator GOLDWATER. What is the Western Recording, Mr. Brewster?

Mr. BREWSTER. Western Recording is strictly what it means. It is a recording organization that we have some stock in, and we use it to get the recordings of our minutes and et cetera.

Senator GOLDWATER. Is it sound recording?

Mr. BREWSTER. Yes, sound recording. Strictly no amusement recording.

Senator GOLDWATER. None of this money was used to pay for Mr. Elkin's recordings, was it?

Mr. BREWSTER. No. I don't know who paid for Mr. Elkin's recordings, unless it was Ann Thompson, or some of those people.

Mr. KENNEDY. May we have these made a part of the record also?

Mr. BELLINO. We have two statements prepared showing the balances due to the retirement trust fund No. 1 and retirement trust fund No. 2, listing the balances at the end of each year for 1954, 1955, and 1956 on one and 1955 and 1956 on the other, which were prepared from the records made available to us.

The CHAIRMAN. They may be made exhibits 116-A and 116-B.

(The documents referred to were marked "Exhibits Nos. 116-A and 116-B" for reference and will be found in the appendix on pp. 1507-1508.)

Mr. KENNEDY. Mr. Brewster, could you explain at all why these loans that Mr. Bellino was talking about which just disappeared, about \$30,000 worth of them?

Mr. BREWSTER. I don't believe they disappeared. I think they must have been paid back.

Mr. KENNEDY. The records show they were not.

Mr. BREWSTER. I don't recall this. I am going to have to check on this and have somebody run that down. I don't know why these loans would be written off, just wiped off. I can't understand it myself. It is beyond me.

Mr. KENNEDY. You are going to be a busy man back in Seattle, are you not?

Mr. BREWSTER. I am going to be busier than a cat on a tin roof.

Mr. KENNEDY. The pinball machines and the contract that the teamsters signed with the pinball operators, there is a provision in there, is there not, that the union will only service the organization's machines?

Mr. BREWSTER. I don't believe that is so.

Is there? Did you see it?

Mr. KENNEDY. Yes; at least up until 1956.

Mr. BREWSTER. Well, I want to say this: As I said yesterday, the first time I saw that contract was yesterday. I certainly would not approve or condone anyone, any organization, signing a contract with an association only and forcing people into any type of association, I don't care what it is.

Mr. KENNEDY. Would you be in favor of allowing people to own their own machines?

Mr. BREWSTER. Owning their own machines?

Mr. KENNEDY. Yes.

Mr. BREWSTER. I don't know anything about that. That is a city ordinance. I don't interest myself in it. I am not opposed to people owning their own machines, if you mean me personally.

Mr. KENNEDY. I mean as far as the union is concerned. There is a provision that the union members cannot service operator-owned machines, place-owned machines. There is a provision in the contract that you signed with the associaiton which prevents people from owning their own machines.

Mr. BREWSTER. I don't know. That is getting highly technical, Bob.

Mr. KENNEDY. No; it isn't.

Mr. BREWSTER. I don't know what the restrictions would be. In other words, you talk about servicing them, and then some of the other servicing and so forth which would be done by individuals that are not in the union, the light repairs and so forth. The only time they would call a union is when there was something they were stuck on. I would say no, we wouldn't do that.

Mr. KENNEDY. You would not be against—

Mr. BREWSTER. We would be in favor of them servicing them all the way through if they owned their own machines.

Mr. KENNEDY. You mean if they owned their own machines?

Mr. BREWSTER. Yes.

Mr. KENNEDY. You wouldn't oppose them owning their own machines?

Mr. BREWSTER. No.

Mr. KENNEDY. Would you look into that when you get back to Seattle?

Mr. BREWSTER. Yes; if I can get around to it.

Mr. KENNEDY. It is pretty important to some of the individuals out there. Would you look into that, too?

Mr. BREWSTER. I will make an attempt to do it if I can get around to it.

(The witness conferred with his counsel.)

The CHAIRMAN. The Chair will announce that one of the members of the staff has made a recapitulation of items of expenditures, moneys used from the various teamsters unions and organizations that have been involved in these hearings that have either been lost to the unions, to the dues-paying members, or misappropriated and still unaccounted for, or of a questionable nature, totaling a gross total of \$70,420.14. There has been prepared for the staff a list of these items that are now available to anyone on a mimeographed sheet. The mimeographed sheet shows a total of \$409,309.98. The additional amount making up the \$709,420.14 are: \$270,110.16, which has been testified to here this morning by Mr. Bellino in his evidence—that is in addition to that which has been recapitulated—plus the \$30,000 that was testified to here in loans that disappeared from the records, where there is no accounting for them.

The Chair makes that observation for those who are present.

For the record, this recapitulation made by the staff will be printed in the record at this point.

(Recapitulation referred to follows:)

Questionable expenditures of the Western Conference of Teamsters

Bobby Eisen air travel	\$46.09
Do	55.22
Richard Cavallero air travel	71.01
Bobby Eisen air travel	71.01
El Rancho Hotel:	
Richard Cavallero	397.00
Cash to Mel Eisen	353.00
Expenses, Terry McNulty, El Rancho Motel	60.00
Terry McNulty expenses	57.00
Do	53.50
Do	29.50
Breel truck repair, Superior Auto	62.32
Boxes at race tracks (1954)	1,280.00
Boxes at race tracks (1955)	1,390.00
Downpayment on Palm Springs home	4,000.00
Nicholas Santarelli:	
Tropical blue suit	\$180.25
Cash from Santarelli to Brewster	219.75
Suits for Mel Eisen, Terry McNulty, Harry Finks	546.00
	946.00
	946.00
Western conference gift certificates 1954	612.85
Double expenses paid by international and also covered by Western Conference of Teamsters	1,081.00
George Newell (distribution of Breel Stables)	46,915.00
Loan from Joint Council No. 28	1,100.00
Loan from retirement trust fund No. 1, Western Conference of Teamsters	10,000.00
Public relations fund, Los Angeles	23,000.00
Special fund, local 174	99,999.65
Unemployment relief fund, local 174	60,000.00
Check to Fred Galeno	1,225.00
Do	507.50
Purchase of car for Mary James, Bothell, Wash.	3,115.00
Differences between Department of Labor report and income tax returns of Frank W. Brewster	56,195.76
Fred Galeno (delegate expense)	750.00
Dave Beck, Jr. (delegate expense)	750.00
Simon Wampold (delegate expense)	750.00
Sweeney Interior Decorating	6,662.27
Quebec Chibougamau stock	46,550.00
Purchase of Campbell Soup stock	47,100.00
Olympic Hotel, San Francisco (Maloney)	21.20
Olympic Hotel, Seattle (Maloney)	35.86
Hotel Multnomah, Portland (Maloney)	36.41
Olympic Hotel, Seattle (Maloney)	27.40
Do	28.86
Do	44.17
Do	17.32
Do	29.13
Hotel Multnomah, Portland (Maloney)	241.50
Hotel Benjamin Franklin (Maloney)	33.73
Northwest Airlines, Maloney transportation	18.87
United Airlines, Maloney transportation	31.35
United Airlines, Maloney transportation	31.35
Telephone bills for Maloney at Park Plaza Towers and King Towers	707.00
Air travel for Joe McLaughlin	73.48
Olympic Hotel, San Francisco (or William Langley)	75.95
Olympic Hotel, Seattle (for William Langley)	39.27
Benjamin Franklin Hotel (for William Langley)	15.10
Check to William Langley from Western Conference of Teamsters	500.00
Total	409,309.98

The CHAIRMAN. I am advised by the staff that while some items in this may be questionable, there may be some proper explanation for them. Still, there have been items omitted that there might be questions about. So as of now, and based on the testimony we have, this appears to be a fairly reasonable and accurate account of funds this committee has discovered that need accounting for.

Senator MUNDT. I wish to point out, Mr. Chairman, that this does not include the \$400,000 that we were discussing the other day.

The CHAIRMAN. That does not include the \$400,000 loaned to the truckline and some other items.

Mr. KENNEDY. And the loan of Mr. Brewster's that is still outstanding that he was unaware of, of \$11,000.

Excuse me, I am sorry, it is in there.

The CHAIRMAN. There are some few items, like the \$400,000 loan, for instance. There is a possibility, maybe, that that will be repaid. We are just trying to arrive at the very best amount to indicate what is really involved in this inquiry into the transactions of the teamster unions in the western conference area.

Mr. Brewster, do you wish to make any closing comment, particularly on these amounts which the Chair has referred to?

Mr. BREWSTER. Only that I thank the committee very much, and I am a little bit tired and I would like to get West.

The CHAIRMAN. We are tired, too. We want to bring this to a close.

Mr. BREWSTER. I appreciate the treatment that you have given me. I think you have been very fine. You haven't abused me in any way.

The CHAIRMAN. Thank you, sir.

Just one moment.

You will remain under your present subpoena, under recognizance to return whenever the committee may need you upon giving you or your counsel reasonable notice.

Mr. BREWSTER. I will be ready at any time.

The CHAIRMAN. I understand you will make available all the records which the committee has indicated they are interested in.

Mr. BREWSTER. I will.

The CHAIRMAN. With that understanding, thank you, Mr. Brewster. You may be excused.

The Chair would like to particularly express the committee's thanks and appreciation to those who have worked so diligently and faithfully long hours of time in helping make possible the disclosures that have been made, that have been revealed here, during the course of these hearings: Mr. A. Ray Bandy, manager of the General Accounting Office in Seattle, Wash.; Mr. Fred Thompson, John Colman, Walter Henson, Al Moore, Richard Andrews, and William Dean. Also of the Seattle General Accounting Office: Mr. H. L. Ryder, of Los Angeles; Roy Howard of Los Angeles; Walter Malone, of Los Angeles; Les Poole, of New York City; Thomas Mulhern, from Los Angeles. Also Mr. Carmine Bellino and Mr. Pierre Salinger, members of the committee staff.

I will say that the public cannot begin, in my opinion, to realize and appreciate the long hours and the effort that our staff has to make and does make to bring out these facts that possibly would otherwise never be known and never be disclosed, except for the au-

thority that is vested in this committee and the mandate that it has undertaken to carry out, and the fine staff that assists it in undertaking to do its job.

Thank you.

This series of hearings is concluded.

The question may be asked whether there will be any further hearings in the Portland area. There may be. We make no statement at this time as to whether there will be or not. Some other information has come in since these hearings started that we have not had time to check and to process.

But for this series, this hearing is now closed.

(Members present at the taking of the recess: The chairman, Senators Mundt, and Goldwater.)

(Whereupon, at 12:57 p. m., the committee recessed, subject to the call of the Chair.)

APPENDIX

EXHIBITS

EXHIBIT No. 66

VALIDATION STAMP DATE SEP 17 1954 CITY OF NEW YORK TO WASH.		NORTHWEST AIRLINES, INC. 12 TRANSPORTATION RECEIPT UNIVERSAL AIR TRAVEL PLAN ORIGINAL - TO CONTRACTOR		IMPRINT AIR TRAVEL PLAN HERE AIRLINE NO. 124 ACCOUNT NO. 124 U 013110 N 177130 RICA M PRASH WESTERN CONFERENCE OF TRANSPORTATION	
FROM SEA		COMPLETE ROUTING SEA - EC - SEA		CHARGES FARE 32.00 TAX 2.46 TOTAL 34.46	
EXCESS BAGGAGE CHARGES		VIA		DATE	
NAMES OF USERS IF OTHER THAN CARDHOLDER Mr. J. L. Allen		CONNECTION TO STATE WITH S. O. R. BEPS C. M.		SIGNATURE OF CARDHOLDER OR HOLDER OF TRIP ORDER X RICA M. Prash	
FORM TRV 26		PRINTED BY CONTRACTOR NO		DATE OF CHANGE	

VALIDATION STAMP WESTERN CONFERENCE DATE SEP 27 1954 CITY OF NEW YORK		UNITED AIR LINES, INC. TRANSPORTATION RECEIPT UNIVERSAL AIR TRAVEL PLAN ORIGINAL - TO CONTRACTOR		IMPRINT AIR TRAVEL PLAN HERE AIRLINE NO. 124 ACCOUNT NO. 124 U 013110 N 177130 RICA M PRASH WESTERN CONFERENCE OF TRANSPORTATION	
TICKETS FROM NO. 1625818 L A		COMPLETE ROUTING SEA - EC - SEA		CHARGES FARE 32.00 TAX 2.46 TOTAL 34.46	
NAMES OF USERS IF OTHER THAN CARDHOLDER Bobbie Fleen		CONNECTION TO STATE WITH S. O. R. BEPS C. M.		SIGNATURE OF CARDHOLDER OR HOLDER OF TRIP ORDER X RICA M. Prash	
FORM TRV 26		PRINTED BY CONTRACTOR NO		DATE OF CHANGE	

VALIDATION STAMP

AUG 15 55

UNITED AIR LINES, INC.

(16)

TRANSPORTATION RECEIPT
UNIVERSAL AIR TRAVEL PLAN

ORIGINAL-TO CONTRACTOR

IMPRINT AIR TRAVEL CARD HERE
CARD NO.

0 Q13110 W 52101

2024 J 52101

RECEIVED

TO: NEW YORK

DATE 013401. IN LAX NEW YORK

CHARGES

FARE 52.00

TAX 3.00

TOTAL 55.00

EXCESS BAGGAGE CHARGES

CONNECT ON FLIGHTS

I hereby acknowledge receipt of the tickets described herein and certify that the storage of such tickets will be requested and that such tickets will be used in accordance with the applicable tariffs.

DATE NO.

SIGNATURE OF CARD HOLDER OR HOLDER OF ONE-TIME ORDER

AMOUNT IN CENTS

DATE EXCHANGE

AMOUNT IN CENTS

DATE EXCHANGE

EXHIBIT No. 67—Continued

STATEMENT OF ACCOUNT UNITED AIR LINES

WESTERN CONFERENCE OF TEAMSTERS

13110 PAGE N

2

AUG

9 2 55

ISSUING AIRLINE	FROM	TO	NAME OF PASSENGER	DATE OF ISSUE	TICKET NUMBER	FARE	TAXES	TOTAL
	YSJ	YVR	BONNELL	AUG 13	102,490	86.95		1,394.48
	DOA	DEN	LORDAN	AUG 1	743,323	198.44		
	SEA	GEG	CROWDER	JUL 30	736,614	69.85		
	SEA	GEG	MILTON	JUL 27	417,406	35.86		
	SFO	LAX	BREWSTER	JUL 20	18,432	46.09		
	SEA	DEN	BARSETT	JUL 26	245,426	208.67		
	SEA	DEN	SWEENEY MILTON	JUL 26	13,168		69	
				JUL 26	70	466.29		
	LAX	DEN	SPEYERS	JUL 20	20,126	126.94		
	SAC	CHI	FINKS	JUL 20	20,127	239.91		
	POX	TWF	PURVIS	JUL 25	718,834	66.55		
	SEA	LAX	BREWSTER		143,691	134.97		
	YVR	YQB	SCOTT	JUL 21	640,618	288.55		
	PDX	DEN	PURVIS	JUL 31	53,42	3.40		
	PDX	DEN	PURVIS	JUL 26	10,227	137.94		
	SEA	SFO	LAX SWEENEY	JUL 20	220,007	134.97		
	SAN	LAX	BREWSTER	JUL 29	799,569	157.30	113,358	3,797.16

STATEMENT OF ACCOUNT

UNITED AIR LINES, INC.

ISSUING AIRLINE	FROM	TO	NAME OF PASSENGER	DATE OF ISSUE	TICKET NUMBER	FARE	TAXES	TOTAL
CASH					123417			
16	YVR	SEA	PURVIS	JUL 23	683,290			1,234.17 +
16	YVR	SFO	PURVIS	AUG 18	238,332		8.97	
12	F	BIL	MAFF		753,467		4.90	
16	SLA	DEN	MILTON	AUG 18	100,19		19.36	
16	SEA	LAX	WHITSTONE	AUG 17	148,15	155.43		
16	PDX	DEN	PURVIS	AUG 9	21,865	134.97		
16	DEN	SFO	HOSHAW	AUG 8	238,332	206.91		
						146.20		
						146.20		
						146.30		
16	LAX	SFO	BREWSTER	AUG 6	253,369	46.09		
18	YSJ	YVR	BONNELL	AUG 6	39,122	48.30		
18	YSJ	WHITEHORSE	BONNELL	AUG 9	3,368	106.65		
16	SAN	LAX	EISEN	AUG 15	113,404	55.22		
16	SAN	LAX	SWEENEY	AUG 12	4,743	16.28		
16	LAX	DEN	SPEYER	AUG 13	21,885	126.94		
16	SEA	LAX	BREWSTER	AUG 12	99,932	143.50		
16	SEA	YVR	NIELSEN	AUG 12	892,185	18.81		
12	SEA	GEG	MILTON	AUG 10	441,442	222.31	44	1,394.48

EXHIBIT No. 68

STATEMENT OF ACCOUNT

UNITED AIR LINES, INC.

DATE	FROM	TO	DATE OF TRIP	DATE OF ISSUE	TICKET NUMBER	DATE	CITY	Balance
					67307			
CASH				MAY 4				67307
16 BERTH GRAHAM			APR 27	351,316	7			2200
16 STATERBOM GRAHAM			APR 16	475,026			3850	
16 SEA SFO GRINSTEIN			APR 27	866,872			90.97	
16 SEA CHI BECK			APR 23	865,793			57321	
16 SEASFO BECK			APR 23	464,861	2		1,101.07	
							1,101.07	
							1,101.27	
							6782	
16 ATL CHI GRAHAM			APR 23	622,841	43			1,849.77

VALIDATION STAMP

UNITED AIR LINES, INC.
(16)TRANSPORTATION RECEIPT
UNIVERSAL AIR TRAVEL PLAN

ORIGINAL-TO CONTRACTOR

IMPRINT AIR TRAVEL CARD HERE
AIRLINE ACCOUNT NO. CARD NO.

U 013110 W 177194

RITA M. PROSCH

WESTERN CONF. OF TEAMSTERS

CHARGES

FORM NO. TICKET NO.

1610625586 LAX SEA

162679148 SEA LAX SEA

TOTAL 10598

FOR ACCOUNTING USE ONLY

CURRENCY OF TICKET

RATE EXCHANGE

AMOUNT IN CONTRACTOR'S CURRENCY

NAME OF TRIP

B EISEN

A TO NO

SIGNATURE OF CARD HOLDER OR HOLDER OF ONE TRIP ORDER

A TO NO

A TO NO

A TO NO

A TO NO

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EXHIBIT No. 68—Continued

STATEMENT OF ACCOUNT UNITED AIR LINES

Name: WESTERN CONFERENCE OF TEAMSTERS

13110

Page 2

Date: JULY 2, 1954

Issuing office	From	To	Name of passenger	Rate	Tax	Fees	Total
12 SEA	DEG	PRASCH	JUN 1	433.925			3,146.19
16 SEA	CHI	GRAHAM	MAY 19	624.333	35	7.26	
16 SEA	LAX	LINDSAY	MAY 17	76.248	49	252.51	
16 SEA	SFO	LINDSAY	MAY 17	351.331			
16 SEA	SFO	LINDSAY	MAY 17	76.296		280.94	
16 SEA	SFO	LINDSAY	MAY 17	128.785		90.97	
			MAY 17	351.330		294.70	

4,386.2

1674.48

ck # 2470 2464.14

STATEMENT OF ACCOUNT UNITED AIR LINES, INC.

Issuing office	From	To	Name of passenger	Rate	Tax	Fees	Total
16 MSY	ATL	WAMPOLD	JUN 15	128.120			
16 FARE	ADJUSTMENT	NO NAME	MAY 25	956.731			
16 SEA	BOI	PRASCH	JUN 21	483.650		100.54	
16 SEA	SFO	LINDSAY	JUN 21	65.790		5.45	
16 SEA	SFO	PRASCH	JUN 18	200.790	91		
			JUN 18	200.793		206.03	
16 SEA	SFO	PRASCH	JUN 18	200.789	792		
			JUN 18	200.782		206.03	
16 LAX	SEA	PRASCH	JUN 15	170.958		71.01	
16 SEA	SFO	PRASCH	JUN 14	200.061	62	181.94	
16 SEA	SFO	PRASCH	JUN 14	700.626		90.97	
16 SEA	PDX	PRASCH	JUN 14	200.621		19.58	
16 SEA	SFO	PRASCH	JUN 11	79.555		90.97	
16 SEA	SFO	PRASCH	JUN 11	200.060		90.97	
16 SEA	PDX	LINDSAY	JUN 7	79.152		19.58	
16 LAX	SEA	PRASCH	JUN 7	625.586	79.148	205.93	
14 YKO	LAX	BONNELL	JUN 8	165.011		39.00	

NO REFUND VALUE
3163

3,146.19

Reprints in connection with charges or credits should include the FID and 1 cent receipt, as shown on the transportation receipt, and the full amount of the charge or credit. If the charge or credit is for a South Coast Area, Chicago 18, please telephone Chicago 18, 522-8. See also the full explanation of the FID and 1 cent receipt.



WESTERN CONFERENCE OF PLASTICS

[illegible]

UNITED STATES DEPARTMENT OF JUSTICE

SEATTLE FIRST NATIONAL BANK

$$92 \text{ g } \cdot \text{mol}^{-1} \quad P = 60 \text{ kPa} \quad n(\text{H}_2\text{O}) = 10 \text{ mol}$$
[illegible]

1. The first part of the document is a list of names and titles, including "The Hon. Mr. Justice" and "The Hon. Mr. Justice".

Page _____ of _____ Pages

WESTERN CONFERENCE OF TEAMSTERS

DATE PREPARED 9-19-55

to 7-10-55, incl.

TOTAL Free

Signed *James McHugh*

Affiliation Western Experience of America

Title *Examiner*

EXHIBIT No. 700

PAGE _____ OF _____ PAGES

EXPENSE VOUCHERWESTERN CONFERENCE & TELETYPE12-14-15

DATE RECEIVED _____

PERIOD COVERED 8-28-55

	SUN	MON	TUES	WED	THURS	FRI
Admission						
Bus Fare and Fuel						
Plane Fare						
Repairs & Parking						
Gas & Oil						
Hotel						
Meals						
Stenographer						
Telephone & Telegraph						
Organizational Expense						
Taxi						
Incidentals						
Meetings						

Re: _____

Signed _____

Affiliation SubcommitteeTitle Chairman

Page _____ of _____ Pages

WESTERN CONFERENCE OF TEACHERS

NAME Terry Mc Kully DATE PREPARED 8-17-55
PERIOD COVERED 8-25-55 to 8-21-55, incl.

	SUN	MON	TUES	WED	THURS	FRI	SAT
Car Allowance							
R.R. Fare and Pullman							
Plane Fare							
Repairs & Parking							
Gas & Oil							
Hotel						6.00	4.00
Meals					6.00	6.00	4.00
Stenographer							
Telephone & Telegraph							
Organizational Expense							
Taxi							
Incidentals							
Meetings							

Re: _____

Signed L. J. [Signature]

Affiliation *Liberal Party*

Title *Examinations*

EXHIBIT No. 70E

ROOM RECEIPT

MR. Mc Nulty
 DATE FROM Aug 28 TO _____
 ROOM NUMBER 9 RATE \$ 6.00 per D W M
 PERIOD OCCUPIED _____ AMT. PAID \$ 6.00
 _____ M EXTRAS \$ _____

BEL AIR MOTEL

125 South C St.

Tustin, Calif.

BY Mrs. Com Stewart

GUEST RECEIPT

Date Sept. 9 1955
 Received of M. J. Mc Nulty for
 Room Occupancy from Sept 9 to Sept 10 Inc.
Twelve Dollars \$ 12.00

CHECK OUT HOUR _____ O'CLOCK

An additional charge will be made for room retention after this hour

A M
Room
P MRoom No. 47Rate per (D) (W) (M) 6.00

EL RANCHO MOTEL

1100 El Camino Real Millbrae, Calif.

Juno 8-2912

By B. P. Rusk

DEPOSIT _____

GUEST RECEIPT

Date Sept 10 1955
 Received of M. J. Mc Nulty for
 Room Occupancy from Sept 11 to Sept 12 Inc.
Twelve Dollars \$ 12.00

CHECK OUT HOUR _____ O'CLOCK

An additional charge will be made for room retention after this hour

A M
Room
P MRoom No. 47Rate per (D) (W) (M) 6.00

EL RANCHO MOTEL

1100 El Camino Real Millbrae, Calif.

Juno 8-2912

By B. P. Rusk

DEPOSIT _____

RECEIPT 3840
Received of Mr. J. B. Smith
Address 123 Main St. N.Y.C.
For 100.00 Make good
Bank, etc.
Wm. Spencer

ACCOUNT		DATE PAID	
AMT. OF		DATE	
PAID			
BY			

● **Chlorine** **Resistant**

7518
 Received from Wm. L. H. H. H. H. H.
Wm. L. H. H. H. H. H.
 For rent of 1/2
 No. 1/2
 L. TAVERN COURT
 101 WEST 4TH ST.
 NEW YORK

PK 907 ~~_____~~

WOODLAND MOTEL
HIGHWAY 99-W — 127 MAIN STREET
A. H. WESTON PHONE 2-4681
No 12587
8-27-58
RECEIVED OF Mr. McRusty
Room # 16
Fine DOLLARS 2.10
WOODLAND MOTEL
\$ 5.00 THANK YOU. BY Fairbank

EXHIBIT No. 71A



WESTERN CONFERENCE OF TEAMSTERS

L. B. OFC. C. M. and H. L. A.

10-111
1931

South of Wash.

FEB 10

054 11 7010

P. 100 of 100

AMERICAN LABOR CUB

The sum of \$12.00

12.00

DOLLAR

SIXTH AND DENNY BRANCH

WESTERN CONFERENCE OF TEAMSTERS

SEATTLE-FIRST NATIONAL BANK

SEATTLE, WASHINGTON

President

Secretary-Treasurer

EXHIBIT No. 71B

20
HOLLYWOOD LURE CLUB



WESTERN CONFERENCE OF TEAMSTERS

Seattle 9 Wash.

APR 13 1954 No 7163

18-118
181

PAY to the
order of

HOLLYWOOD LURE CLUB
The sum of \$240.00
DOLLARS

BANK AND TRUST COMPANY

SEATTLE-FIRST NATIONAL BANK

SEATTLE, WASHINGTON

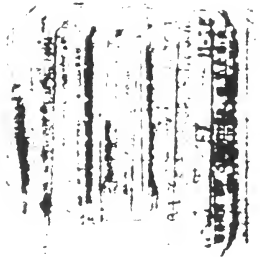
WESTERN CONFERENCE OF TEAMSTERS

President

[Handwritten signature]
Secretary Treasurer

EXHIBIT No. 710

PAY TO THE ORDER OF
 Bank of America
 TAYLOR CO. LTD.



WESTERN CONFERENCE OF TEAMSTERS

PAY TO THE ORDER OF

Western Conference of Teamsters
San Francisco, California
March 1, 1934

WESTERN CONFERENCE OF TEAMSTERS

SIXTH AND DEANER STREETS

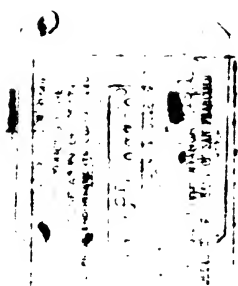
SEATTLE FIRST NATIONAL BANK

SEATTLE, WASHINGTON

TH 11

EXHIBIT No. 71D

151
BANK OF AMERICA
FACILE TURF



WESTERN CONFERENCE OF TEAMSTERS

L. B. & T. C. W. and H. d. A.

19 111
1931

Seattle 9, Wash.

Oct 4

1934

7715

PAY to the order of **GOLDEN GATE TOUR CLUB**

\$150.00

DOLLARS

WESTERN CONFERENCE OF TEAMSTERS

SIXTH AND DENNY BRANCH

SEATTLE-FIRST NATIONAL BANK

SEATTLE, WASHINGTON

By *[Signature]* President
[Signature] Secretary Treasurer

EXHIBIT No. 71E

Bank of America
PACIFIC TURF CLUB INC.

11-35
11-35
BANK OF AMERICA
11-35
11-35

WESTERN CONFERENCE OF TEAMSTERS

18 of C W 000 H of A

16,111
1231

Seattle 2 Wash.

COSTA

1954 No 7711

PAY TO THE
ORDER OF

GOVERN STATE FIELDS

1825

DOLLARS

SIXTH AND DENNY BRANCH

SEATTLE-FIRST NATIONAL BANK
SEATTLE WASHINGTON

WESTERN CONFERENCE OF TEAMSTERS

By *John J. J. J.* President
By *John J. J. J.* Secretary/Treasurer

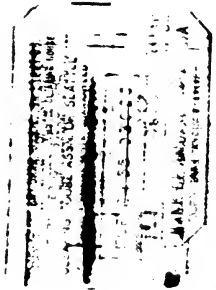
Bank of America
INC.

PAY TO THE ORDER OF LOS ANGELES
THE SUM OF \$390 DOLLARS

WESTERN CREDIT CARD NO. 7928
L.A.C.S. No. 1051
South Western Bank Inc.
DALLAS TEX.

EXHIBIT No. 72A

FOR DEPOSIT ONLY
 PAY TO THE ORDER OF
 UAKLAND MAIN OFFICE
Bank of America
 NATIONAL ASSOCIATION
 9C-1 12th & BROADWAY
 PACIFIC TRUCK CLUB, INC.



WESTERN CONFERENCE OF TEAMSTERS

LEADERSHIP

10-111
 1231

Seattle 9, Wash., FE. 8-10 1955 No. 8148

PAY to the order of Charles F. Fields
 The sum of \$225 and 00 cts 1225.00
 DOLLARS

WESTERN CONFERENCE OF TEAMSTERS

LITH AND PRINT BLANCH

SEATTLE-FIRST NATIONAL BANK

SEATTLE, WASHINGTON

by John J. Lawrence Secretary-Treasurer
John J. Lawrence President

PAY TO THE ORDER OF
CASH AND MARK ONLY
Bank of America
PACIFIC TRUST CO., INC.
& GOLDEN GATE FIELDS

WESTERN CONFERENCE OF TEAMSTERS

Seattle

PAY TO the
order of

George C. Theodor
Theodor

1958 No. 5152

09 \$150.00

DOLLARS

CONFERENCE OF TEAMSTERS

SEATTLE-FIRST NATIONAL BANK
SEATTLE WASHINGTON

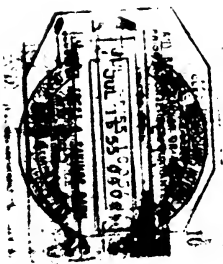
BETH ANN DENNY BRANCH

John J. Shueny

1958
1957

EXHIBIT No. 72C

8



PAY TO THE ORDER OF
SECURITY TRUST BANK
FOR DEPOSIT ONLY
OF SAN DIEGO
DEL MAX TURF CLUB
OPERATING CO.
GENERAL ACCOUNT

WESTERN CONFERENCE OF TEAMSTERS

TEAMSTERS

RECEIVED
JUL 16 1935

PAY TO THE

ORDER OF

DEL MAX TURF CLUB

OPERATING CO.

GENERAL ACCOUNT

FOR DEPOSIT ONLY

OF SAN DIEGO

SECURITY TRUST BANK

SAN DIEGO, CALIF.

JUL 15 1935

16

180.00

180.00

180.00

180.00

180.00

180.00

180.00

SEATTLE-FIRST NATIONAL BANK
SEATTLE, WASHINGTON

WESTERN CONFERENCE OF TEAMSTERS
J. J. [Signature]
President

Secretary Treasurer

BANK OF AMERICA
 CALIFORNIA FIRST CLUB
 BAY MEADOWS PLACE
 Bay Meadows Race Track
 Operating Account
 San Mateo Calif.



CH F-105

WESTERN

1911
1917

1917 No

8872

200 00

DOLLARS

PAY to the
 order of *California*
 The *Sum of* *Two Hundred* and *00* cts

CONFERENCE OF TEAMSTERS

SIXTH AND DEWITT BLANCH

SEATTLE-FIRST NATIONAL BANK

SEATTLE, WASHINGTON

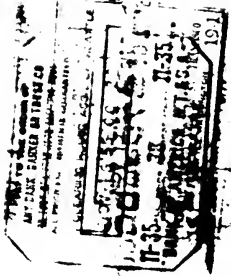
President

Secretary-Treasurer

John J. Macine

EXHIBIT No. 72E

12 MAY 1935
Bank of America
SAN FRANCISCO



161

WESTERN CONFERENCE OF TEAMSTERS
1801 C W and N. A.

PAY to the
order of

Seattle, Wash.

Nov 7

1935

No 9129

16-111
TUT

SEATTLE-First NATIONAL BANK

SEATTLE WASHINGTON

the sum of \$75 and 00 cts

175.00

WESTERN CONFERENCE OF TEAMSTERS
DOLLARS

by *[Signature]*
Secretary Treasurer

EXHIBIT No. 72F

Pay To The Order Of
Los Angeles Turf Club, Inc.
Controller's Office

SEATTLE-FIRST NATIONAL BANK
SEATTLE, WASHINGTON

SIXTH AND DENIT. 1850

THE EXPERIENCE OF TEAMSTERS

THE POWER OF COOPERATION

DOLLARS

**PAY to the
order of**

Lo: 988 114

3213

569.00

WATKINS-REYNOLDS OF TAMSTERS

1971
1970

EXHIBIT No. 73

Payroll

SEATTLE NATIONAL BANK

DEPOSIT

10027061270000

LEVYMEYERS, AND AUTO TRUCK DRIVERS' UNION, Local No. 174

RECEIVED FEB 28 1961

ALL INFORMATION CONTAINED HEREIN IS UNCLASSIFIED

DATE 10/17/00 BY 60322

TEAMSTERS' AND AUTO TRUCK DRIVERS' UNION, Local No. 174

Sample 9, W. 1000

19 11 No. 1000

The sum of \$4000.00

DOLLARS

Payroll

SEATTLE-FIRST NATIONAL BANK (19-2)

SEATTLE, WASHINGTON

EXHIBIT No. 74

DEPOSIT BANK
FOR DEPOSIT ONLY
PALM DESERT
WATER COMPANY
PALM DESERT CORPORATION
P. O. BOX 1
PALM DESERT, CALIF.
MAR 9 5 11 PM '51
ANY AD
CANTON, N.Y.

105

19-TH SIXTH AND DENNY BRANCH 19-TH

SEATTLE-FIRST NATIONAL BANK 116-4

19-2
1250

PAY TO THE ORDER OF

SEATTLE FIRST NATIONAL BANK

SEATTLE WASH. Feb 27, 1951 No. 49 308

ORDER OF Palm Desert Properties \$4,000.00

SEATTLE FIRST NATIONAL BANK DOLLARS

MAIN OFFICE
SEATTLE FIRST NATIONAL BANK
SECOND AVENUE AT CHERRY STREET
SEATTLE, WASHINGTON

4000 and 00 cts

W. J. Muller

AUTHORIZED SIGNATURE

SEATTLE FIRST NATIONAL BANK
APPLICATION FOR CASHIER'S CHECKS OR DOMESTIC DRAFTS

401

1-1

CASHIER'S CHECKS: 10C PER CHECK
DRAFTS NOT EXCEEDING \$1 000: 1-10TH OF 1 PER CENT MINIMUM CHARGE 10C
DRAFTS EXCEEDING \$1 000: 1-10TH OF 1 PER CENT ON THE FIRST \$1 000, AND

1.20TH OF 1 PER CENT ON THE EXCESS

SEATTLE, WASH.

2-27-1951

PAYABLE TO

CADMIUM'S CHECKS

DOLLARS

CENT

John H. McCallister

附

303

Dec 0

(NAME OF PURCHASER)

FORM 870 BY

EXCHANGE

TOTAL

		25	
		400025	

EXHIBIT No. 77

May 3, 1956

Western Conference of Teamsters
153 John Street
Seattle, Washington

Attn: John J. Sweeney, Secretary Treasurer

Gentlemen:

The membership committee has requested additional information regarding your purchase of unit #35 in the Desert Braemar Inc..

I am sure you can understand, in a development such as the Desert Braemar Inc., all apartments must be used for personal use only. The committee has requested that you send us a letter confirming this.

A prompt reply is necessary to complete the processing of your application. Upon receipt of this letter we will forward to you all plans and further instructions to complete this purchase.

Thank you in advance for your cooperation in this matter.

Very truly yours,
THE DESERT BRAEMAR INC.

Starr Brown
Sales Director

SB:dp

EXHIBIT No. 78

RECEIVED
JAN 12 1937

RECEIVED
JAN 12 1937

WESTERN CONFERENCE OF TEAMSTERS

1801 E. W. and N. W. A.

JAN 12 1937

Seattle 9, Wash.

March 17

RECEIVED
JAN 12 1937Pay to the
order of

HAWKINS RIBB RANCH & COUNTRY CLUB CO

The sum of \$4000.00

DOLLARS

SEATTLE AND BELLINGHAM BRANCH

WESTERN CONFERENCE OF TEAMSTERS

SEATTLE-FIRST NATIONAL BANK

SEATTLE, WASHINGTON

W. J. [Signature]
W. J. [Signature]
 W. J. [Signature]

EXHIBIT No. 79

M. C. ...

[Faint, mostly illegible text from a document or envelope]

WESTERN CONFERENCE OF TEAMSTERS
1801 E. 2nd St. S. P.O. Box 1000
SEATTLE, WASH.

19-111
1237

PAY TO THE
ORDER OF

N.

S.

THE SUM OF

~~SEVENTEEN~~
THOUSAND DOLLARS

\$400.00

JUNE 22

1954

7110

Seattle, Wash.

SEATTLE-FIRST NATIONAL BANK
SEATTLE, WASHINGTON

SIXTH AND DENNY BRANCH

WESTERN CONFERENCE OF TEAMSTERS

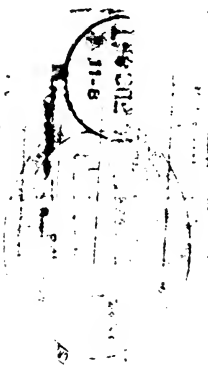
[Signature]

President

By *[Signature]*

[Signature]
Secretary

Mrs. Santarelli



WESTERN CONFERENCE OF TEAMSTERS

U. S. OF C. W. and H. of A.

10-111
7-151

Seattle 9, Wash.

JAN 10

10-55 No.

546.00

PAY to the
order of

N.Y. SANTARELLI

THE SUM OF \$546.00

DOLLARS

WESTERN CONFERENCE OF TEAMSTERS

SIXTH AND DENNY BLANCH

SEATTLE-FIRST NATIONAL BANK

SEATTLE, WASHINGTON

W. H. B. Bunker
President

John J. Mulcahey
Secretary-Treasurer

EXHIBIT No. 81

WESTERN CONFERENCE OF TEAMSTERS

L. B. of T. C. W. and H. of A.

19-111
1931

Seattle 9, Wash.

JAN. 18

1935

No. 1185

PAY to the
order of

Western

Conference

of Teamsters

Inc.

\$3956.41

DOLLARS

SIXTH AND DENNY BRANCH

SEATTLE-FIRST NATIONAL BANK

SEATTLE, WASHINGTON

WESTERN CONFERENCE OF TEAMSTERS

A. M. McQuinn

President

By *J. L. McQuinn* Secretary Treasurer

EXHIBIT No. 82A

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EXHIBIT No. 82B

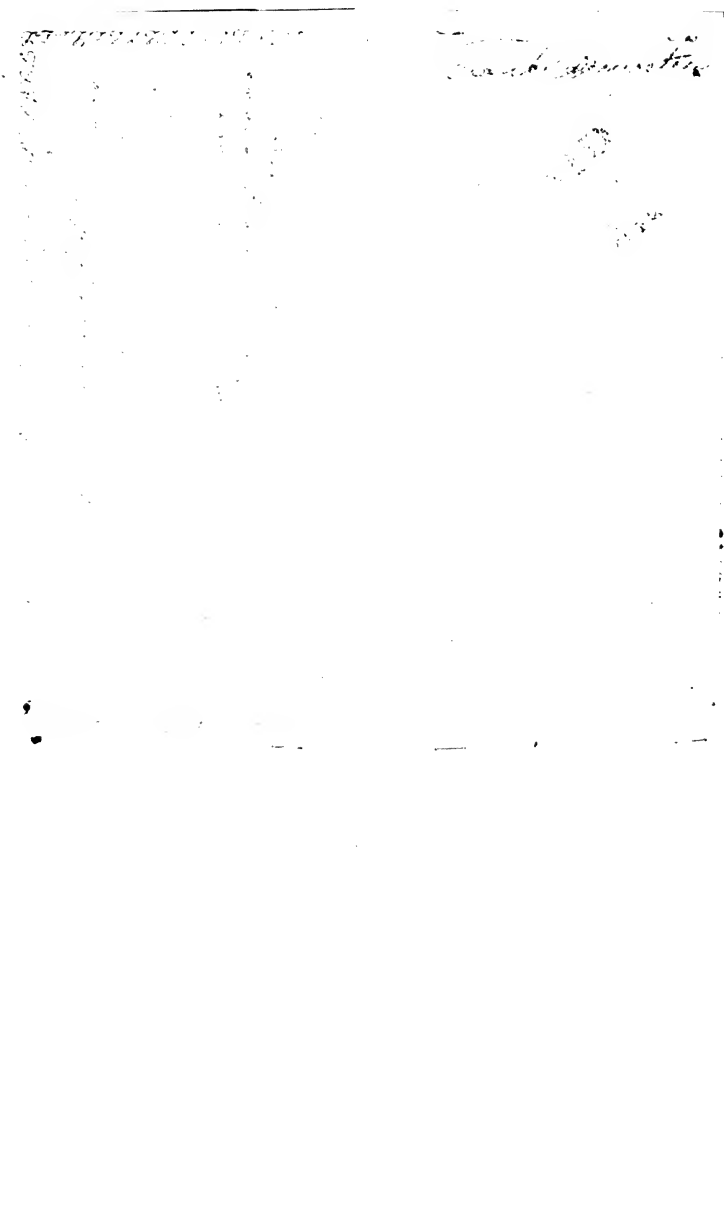


EXHIBIT No. 82C

to a new formation
to a new formation
to a new formation

EXHIBIT No. 821D

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**READ
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EXHIBIT No. 84B

1. *Mr. J. H. [illegible]*
 2. *Mr. J. H. [illegible]*
 3. *Mr. J. H. [illegible]*
 4. *Mr. J. H. [illegible]*
 5. *Mr. J. H. [illegible]*
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EXHIBIT No. 84E

Handwritten:
 The undersigned, *John J. Little*,
 President of the *United Brotherhood of Carpenters and Joiners of America*,
 do hereby certify that the *United Brotherhood of Carpenters and Joiners of America*
 is not a labor union within the meaning of the *National Labor Relations Act*,
 and that it is not engaged in any activity which would bring it within the
 scope of the said Act.
 Witness my hand and the seal of the said organization at *St. Louis, Missouri*,
 this *10th* day of *June*, 1936.
John J. Little
 President
 United Brotherhood of Carpenters and Joiners of America
 1200 Olive St.
 St. Louis, Mo.
 12-20-36

PAID
 JUN 12 1936
 BY
 LITTLER

EXHIBIT No. 85A

[Handwritten signature]

[Faint handwritten notes]

[Faint printed text: NATIONAL UNION... PEOPLE'S PARTY CALIFORNIA]

EXHIBIT No. 85B

[Faint, illegible handwritten notes or bleed-through from the reverse side of the page.]

EXHIBIT No. 86

WESTERN CONFERENCE OF TEAMSTERS

I. R. of T. C.

19-111
1281

Seattle 9, Wash.

1954 No. 7728

PAY TO THE
ORDER OF

CHARLES TAIT

The sum of \$2000 and 00/100

\$2000 00

DOLLARS

WESTERN CONFERENCE OF TEAMSTERS

BRIT: ANNE DENNY BRANCH

SEATTLE-FIRST NATIONAL BANK

SEATTLE, WASHINGTON

President

Secretary Treasurer

to deposit only
on the 1st

EXHIBIT No. 87

PORTLAND
SEATTLE

CONRAD, BRUCE & Co.
INVESTMENT SECURITIES
1411 FOURTH AVENUE
SEATTLE 1

SAN FRANCISCO
LOS ANGELES

DATE 12/24/52

SETTLEMENT
DATE

FRANK W. BREISTER
522 DENNY WAY
SEATTLE, WASH.

IN AGREEMENT WITH THE
APPROPRIATE AUTHORITIES

FILE 1 PAGE 1

CO-OWNER

AS PRINCIPAL FOR THE SALE OF

1000

AFFILIATED FUND INC

\$5.36

\$360.00

Handwritten signature and initials



CONFIRMATION AND INVOICE

EXHIBIT No. 88

BLANCHETT, HINTON & JONES, INC.
INVESTMENT SECURITIES • COMMERCIAL PAPER
1411 FOURTH AVENUE BUILDING
SEATTLE 1 WASH

MR. GEORGE NEWELL
1266 DEXTER HORTON BLDG.,
SEATTLE, WA

DATE 12/30/53
SETTLEMENT
DATE

TRANSFER NAME FRANK BREWSTER

IN ACCORDANCE WITH YOUR
ARRANGEMENTS WITH

MR OCHSNER

AS PRINCIPAL FOR OUR OWN ACCOUNT WE CONFIRM SALE TO YOU

1,000 AFFILIATED FUND INC.,

05.17

5170.00

RECEIVED
DEC 31 1953
GEO. C. NEWELL
Brewster

CONFIRMATION AND INVOICE

EXHIBIT No. 89A

REGISTRATION

NAME Frank H. Brewster

STREET

CITY

Seattle

STATE

Wn.CAR
LICENSEA 253609

STATE

WnMAKE
OF CARChry.

NUMBER

OF PERSONS 1

ADVANCE PAYMENT REQUESTED

NOTICE TO GUESTS

THIS PROPERTY IS PRIVATELY OWNED AND THE MANAGEMENT RESERVES THE RIGHT TO REFUSE SERVICE TO ANYONE AND WILL NOT BE RESPONSIBLE FOR ACCIDENTS OR INJURY TO GUESTS OR FOR LOSS OF MONEY JEWELRY OR VALUABLES OF ANY KIND

ROOM NO.

54

DATE IN

NOV 16 1952

RATE \$

11.00

DATE OUT

W.T.V.

DAYS OCCUPIED

SUN	16	23	39	7
MON	17	24	1	8
TUES	18	25	2	9
WED	19	26	3	10
THUR	20	27	4	11
FRI	21	28	5	12
SAT	22	29	6	13

TOTAL

AMT.

DAYS

PAID \$

REGISTRATION

NAME

Frank H. Brewster

STREET

552 - Denny Way

CITY

Seattle

STATE

WashingtonCAR
LICENSEA 253609

STATE

WnMAKE
OF CARChry

NUMBER

OF PERSONS 1

ADVANCE PAYMENT REQUESTED

NOTICE TO GUESTS

THIS PROPERTY IS PRIVATELY OWNED AND THE MANAGEMENT RESERVES THE RIGHT TO REFUSE SERVICE TO ANYONE, AND WILL NOT BE RESPONSIBLE FOR ACCIDENTS OR INJURY TO GUESTS OR FOR LOSS OF MONEY JEWELRY OR VALUABLES OF ANY KIND.

ROOM NO.

54

DATE IN

NOV 14 1952

RATE \$

11.00

DATE OUT

W.T.V.

DAYS OCCUPIED

SUN		26	2	9
MON		27	3	10
TUES		28	4	11
WED		29	5	12
THUR		30	6	13
FRI	✓	31	7	14
SAT	✓	1	8	15

TOTAL

AMT.

DAYS

PAID \$

EXHIBIT No. 89A—Continued

16.95 Telephone

550.00

461.00 Payments

105.95

566.95 Total

11/8 - .10 SC

11/14 - .20

11/21 - .10

11/22 - 90

11/22 - 10

11/23 - 10

11/23 - 1.35

11/24 - .10

11/24 - .25

11/25 - 20

11/25 - 25

11/25 - 10 SC

11/25 - 40

11/25 - 10

11/25 - 20

4.45

12/1 - 4.45

12/1 - .10

12/1 - .35

12/1 - .10

12/1 - 20

12/5 - 20

12/5 - 10 SC

12/8 - 10 SC

12/9 - 20

12/9 - 20

12/9 - 20

12/9 - 10

12/9 - 20

12/9 - 9.35

12/9 - 20

12/9 - 10 SC

12/9 - 20

16.55

12/3 - 20

12/3 - 20

12/3 - 20

12/3 - 20

12/3 - 20

12/3 - 20

12/3 - 20

12/3 - 20

12/3 - 20

12/3 - 20

12/3 - 20

12/3 - 20

12/3 - 20

12/3 - 20

12/3 - 20

12/3 - 20

D 105.95

A 461.00

EXHIBIT No. 89B

FORM 114 ASSOCIATE SERVICE 355 ROBINSON ROAD, PASADENA 8, CALIF.

REGISTRATION

Has *Exclusion*NAME *Mr. Mrs. Mel Eisen*STREET *552 Henry*CITY *Seattle*STATE *Wn.*CAR LICENSE *1H48210*STATE *Calif*MAKE OF CAR *Cad.*NUMBER OF PERSONS *2*

ADVANCE PAYMENT REQUESTED

29.00

NOTICE TO GUESTS

THIS PROPERTY IS PRIVATELY OWNED AND THE MANAGEMENT RESERVES THE RIGHT TO REFUSE SERVICE TO ANYONE, AND WILL NOT BE RESPONSIBLE FOR ACCIDENTS OR INJURY TO GUESTS OR FOR LOSS OF MONEY, JEWELRY OR VALUABLES OF ANY KIND.

ROOM NO. *24*DATE IN *SEP 11 1951*RATE \$ *6.00*

DATE OUT

DAYS OCCUPIED

SUN.		12	19	26
MON.		13	20	27
TUES.		14	21	28
WED.		15	22	29
THUR.		16	23	30
FRI.		NC	NC	NC
SAT.	11	18	25	2

TOTAL DAYS

AMT. PAID \$

REGISTRATION

NAME *Eisen*

STREET

CITY

STATE

CAR LICENSE

STATE

MAKE OF CAR

NUMBER OF PERSONS

ADVANCE PAYMENT REQUESTED

NOTICE TO GUESTS

THIS PROPERTY IS PRIVATELY OWNED AND THE MANAGEMENT RESERVES THE RIGHT TO REFUSE SERVICE TO ANYONE, AND WILL NOT BE RESPONSIBLE FOR ACCIDENTS OR INJURY TO GUESTS OR FOR LOSS OF MONEY, JEWELRY OR VALUABLES OF ANY KIND.

ROOM NO. *24*

DATE IN

RATE \$

DATE OUT

DAYS OCCUPIED

SUN.	2	10	17	24
MON.	4	11	18	25
TUES.	5	12	19	26
WED.	6	13	20	27
THUR.	7	14	21	28
FRI.	8	15	22	29
SAT.	9	16	23	

TOTAL DAYS

AMT. PAID \$

FORM 114 ASSOCIATE SERVICE 355 ROBINSON ROAD, PASADENA 8, CALIF.

EXHIBIT No. 89B—Continued

9/12 -	10 50
9/12 -	10 50
9/14 -	10 50
9/17 -	35
9/19 -	20
9/19 -	20
9/17 -	20
9/17 -	20
<hr/>	
1.25	00 00

9/20 -	25
9/20 -	20
9/24 -	10 50
9/24 -	20
9/26 -	35
9/26 -	10
9/26 -	20

10/2 -	20	10/14 -	20
10/3 -	25	10/14 -	20
10/3 -	10	10/23 -	20
10/5 -	25	10/24 -	10 50
10/5 -	20	10/24 -	10 50
10/5 -	20	10/26 -	10 50
10/5 -	20	10/28 -	20
10/5 -	35	10/27 -	20
10/5 -	60	10/27 -	20
10/9 -	20	10/28 -	20
10/11 -	10		
10/14 -	20		
10/15 -	10		
10/15 -	20		
10/17 -	10 50		
10/17 -	20		
<hr/>			
380			

9/12 -	160
9/12 -	10 50
<hr/>	
37.70	SUB
37.70	TOTL
<hr/>	
037.70	SUB
037.70	TOTL

9/27 -	20
9/28 -	60
9/28 -	10 50
9/30 -	10
9/30 -	20
10/1 -	10 50
10/1 -	10 50

B 005.40 SUB TOTL

B 037.25 SUB TOTL

EXHIBIT No. 89C

FORM 11-A, REPRODUCTION SERVICE, 355 NORTH MAIN ROAD, PASADENA 4, CALIF.

Deliberate 241 over
1954
 REGISTRATION Chg. 6 Frank
 NAME *Richard Cavaliero*
 STREET *4939 Lennox Blvd*
 CITY *Inglewood, Calif.*
 STATE *California*
 CAR LICENSE _____ STATE *Cal*
 MAKE OF CAR _____ NUMBER OF PERSONS *1*

ADVANCE PAYMENT REQUESTED

294.00

NOTICE TO GUESTS

THIS PROPERTY IS PRIVATELY OWNED AND THE MANAGEMENT RESERVES THE RIGHT TO REFUSE SERVICE TO ANYONE, AND WILL NOT BE RESPONSIBLE FOR ACCIDENTS OR INJURY TO GUESTS OR FOR LOSS OF MONEY, JEWELRY OR VALUABLES OF ANY KIND.

*Check*ROOM NO. *25*DATE IN *SEP 11 1954*RATE \$ *5.00*

DATE OUT _____

DAYS OCCUPIED

SUN.	<i>13</i>	<i>17</i>	<i>26</i>
MON.	<i>13</i>	<i>20</i>	<i>27</i>
TUES.	<i>14</i>	<i>21</i>	<i>28</i>
WED.	<i>15</i>	<i>22</i>	<i>29</i>
THUR.	<i>15</i>	<i>23</i>	<i>30</i>
FRI.	<i>16</i>	<i>24</i>	<i>31</i>
SAT.	<i>16</i>	<i>25</i>	<i>2</i>

TOTAL DAYS _____

AMT. PAID \$ *110.00*

FORM 11-A, REPRODUCTION SERVICE, 355 NORTH MAIN ROAD, PASADENA 4, CALIF.

REGISTRATION

NAME *Richard Cavaliero*
 STREET _____
 CITY _____
 STATE _____
 CAR LICENSE _____ STATE *Cal*
 MAKE OF CAR _____ NUMBER OF PERSONS *1*

ADVANCE PAYMENT REQUESTED

NOTICE TO GUESTS

THIS PROPERTY IS PRIVATELY OWNED AND THE MANAGEMENT RESERVES THE RIGHT TO REFUSE SERVICE TO ANYONE, AND WILL NOT BE RESPONSIBLE FOR ACCIDENTS OR INJURY TO GUESTS OR FOR LOSS OF MONEY, JEWELRY OR VALUABLES OF ANY KIND.

ROOM NO. *25*DATE IN *Oct 3, 1954*RATE \$ *5.00*

DATE OUT _____

DAYS OCCUPIED

SUN.	<i>3</i>	<i>10</i>	<i>17</i>	<i>24</i>
MON.	<i>4</i>	<i>11</i>	<i>18</i>	<i>25</i>
TUES.	<i>5</i>	<i>12</i>	<i>19</i>	<i>26</i>
WED.	<i>6</i>	<i>13</i>	<i>20</i>	<i>27</i>
THUR.	<i>7</i>	<i>14</i>	<i>21</i>	<i>28</i>
FRI.	<i>8</i>	<i>15</i>	<i>22</i>	<i>29</i>
SAT.	<i>9</i>	<i>16</i>	<i>23</i>	<i>30</i>

TOTAL DAYS _____

AMT. PAID \$ *140.00*

EXHIBIT No. 89C—Continued

9/18 -	20
9/19 -	20
9/28 -	20
	60
Ant -	245.00 9/13 1/2
	<u>245.60</u>

Charge to Mr. Frank Brewster
552 Genney
Seattle, Wash.

30.
6.00
10.00
1.40
<u>57.40</u>

10/10 - 50

10/12 - 20

10/14 - 20

10/15 - 20

10/19 - 20

10/19 - 20

10/20 - 95

10/20 - 1.80

10/21 - 3

10/22 - 11

10/22 - 25

10/22 - 2.3 -

10/22 - 1.00

10/23 - 4

10/23 - 95

10/24 - 25

10/24 - 20

10/24 - 45

10/24 - 2.5

10/24 - 20

10/27 - 20

10/27 - 50

4.10

10/28 - 250.00
10/28 - 351.00 Ant
10/28 - 25.50 return
Pd Total 600.00

9 014.10 SUB
TOTAL

EXHIBIT No. 89D

 REGISTRATION
El Rancho Motel
 MILLBRAE, CALIFORNIA

NAME

T McInulty

STREET

552 - Perry Way

CITY

Seattle

STATE

WA

CAR

LICENSE

36 982 A

STATE

MAKE

OF CAR

Chrysler

NUMBER

OF PERSONS 2

FIRM REPRESENTING

ADVANCE PAYMENT REQUESTED

Notice to Guests

No 4292

This property is privately owned and the management reserves the right to refuse service to anyone, and will not be responsible for accidents or injury to guests or for loss of money, jewelry or valuables of any kind.

ROOM NO

RATE \$

DATE IN

SEP 3 1955

DAYS OCCUPIED

SUN

MON

TUES

WED

THUR

FRI

SAT

TOTAL

DAYS

AMT

PAID \$

BALIST PRINTING 1087878

1/4 - 20			
1/4 - 20			
1/4 - 90			
1/4 - 35			
1.65			
1/2 - 20			

B 013.65 SUB TOTL

B 012.00 SUB TOTL

EXHIBIT No. 90

OPERATORSA G R E E M E N T

THIS AGREEMENT, made and entered into this 1st day of May 1952, by and between AMUSEMENT ASSOCIATION OF WASHINGTON, hereinafter called the Employer and THE WOODSIE AND VERNAL DELIVERY MEN'S and SALESMEN'S LOCAL UNION NO. 353, hereinafter called the Union.

WITNESSETH:

1. The members of the Association will be composed of individuals, partnerships, co-partnerships or corporations engaged in the owning and operating of amusement devices in the City of Seattle, commonly known as Pinball or Marble Machines, Games and Riggers, and Automatic Photographs which are duly licensed by said City.

2. The Association agrees to recognize the Union as the sole collective bargaining agency for employees of amusement devices in the City of Seattle and the Union agrees to recognize the Association solely in entering into contractual relations with the employers-members of the Association.

It is agreed that the Union will not contract with any other Employer or Association for any less favorable wages or conditions than those contained in said Association contracts.

3. All members of this Association who require the services of one or more employees agree to employ only members in good standing with Local Union No. 353; and in the event there is no satisfactory employee available at the Union, the Association member may employ a non-union employee; providing said employee makes immediate application for membership to Local Union No. 353. He may, however, work for a thirty (30) day period while his application is being considered.

4. No Sunday work will be permitted and no split shift shall be worked in any day at straight time.

The work week shall consist of five consecutive days. The base pay shall be one dollar and eighty five cents (\$1.85) per hour with all overtime in excess of eight (8) hours per day at the rate of time and one-half or Two dollars and seventy-five and one half cents (\$2.75) per hour, but under no circumstances shall the pay of any employee who has worked forty (40) hours in any week be less than the pay which he is now receiving as of the date of this contract. When an employee is given either Saturday or Monday as his day off (beside Sunday) that day will continue to be his day off and shall not be changed without consent of the employee and the union.

All work performed on the sixth day shall be paid for at the rate of time and one half.

5. The minimum rate of pay for regular employees shall be Seventy four (\$74.00) dollars per week; provided that inexperienced men may be employed under the following wage scale:

First ninety days.....\$62.10
Second ninety days.....\$67.27

Thereafter, the regular scale of seventy four (\$74.00) dollars per week shall be paid. All employees servicing machines on location shall be under the above scale, viz., \$74.00 per week.

6. The Employer agrees to provide vehicles for the use of employees coming under this contract for the purpose of transacting the Employer's business, and will pay for all expenses including insurance; provided, however, that where the Employer elects to have the employee operate his own vehicle, he, the employee, shall be paid the sum of Twenty (\$20.00) dollars per week or seven cents (7¢) per mile, whichever is the greater, to cover the expense of operating said vehicle.

7. The Union agrees to expel any member for just and sufficient cause, when proof of the same is submitted to the Trial Board of the Union, and passed upon by such Trial Board, according to the By-Laws of the Union.

EXHIBIT No. 90—Continued

All employees who have been in employment six months or more shall give the Employer two (2) weeks notice before leaving his employ. The Employer is also to give all driver-salesmen two (2) weeks notice previous to their discharge, but this shall not apply in cases of discharge due to drunkenness or dishonesty.

8. All Union employees, after one (1) year's service, shall receive at least one (1) week's vacation and after two (2) years' continuous service, two (2) weeks' vacation with full pay.

9. The following days shall be considered holidays without deduction in pay and no work shall be performed on these days except emergency work. Pay for work on these days shall be at the rate of double time: January 1, February 22, May 1, July 4, Labor Day, Thanksgiving, Christmas and all Sundays. All work over thirty-two (32) hours in a holiday week shall be paid for at the rate of time and one-half.

10. No employee, in pursuance to the date of this agreement, was receiving more than the rate of pay designated shall suffer any reduction through the adoption of this agreement. It is agreed that the rate of compensation now in effect for operators of sugar machines shall remain as is, viz., forty per cent (40%) of the gross business with a guarantee of seventy-four (\$74.00) dollars per week, and that hours and working conditions will remain the same.

11. Commencing July 1, 1952, the Employer will pay into a welfare fund (not wages) the sum of eight dollars and sixty-five cents (\$8.65) for each employee who has worked eighty (80) hours or more in the month of June, 1952, and eight dollars and sixty-five cents (\$8.65) in each succeeding month for each employee who has worked eighty (80) hours or more in each succeeding month during the term of this contract.

12. It is mutually agreed that the Association and the Union will cooperate in the operation of only those machines duly licensed in the City of Seattle.

13. Should any controversy arise between the parties, not provided for in these Articles, or any misunderstanding as to the true interpretation of this Agreement, it shall be submitted to a committee of three (3) for arbitration; one to be selected by the Union, one by the Association, and a third, a disinterested party, selected by the first two. During such time as the matter is pending before the Arbitration Board, there shall be no lockouts or strikes. The decision of the Arbitration Board is to be final.

14. Any employee who voluntarily quits his employment and accepts employment with any other employer in the same business shall not be permitted to solicit any location wherein his former Employer is operating, for a period of six (6) months. It is mutually agreed that the new Employer shall guarantee employment to said employee for the said period of six (6) months.

15. Employees shall service only equipment owned by their Employer and shall not service location owned equipment.

16. This Agreement shall go into effect July 1, 1952, and continue in full force and effect to November 1, 1954. It is further agreed and understood that on November 1, 1952, this Agreement shall automatically be renewed for one (1) year from such date and thereafter upon each anniversary of the said date, without any further act of either party hereto; provided that either may terminate this Agreement October 31, 1952, or on any anniversary of said date by giving sixty (60) days previous notice in writing. In the event a new contract is negotiated which embodies changes in wages or hours of employment, the new wage scale shall be effective and retroactive to the date of November 1st of the year when said contract is negotiated.

IN WITNESS WHEREOF the parties hereto have hereunto set their hands and seals the date and year first above written.

AMUSEMENT ASSOCIATION OF WASHINGTON

WHOLESALE AND RETAIL DELIVERY DRIVERS
AND SALESMEN, LOCAL UNION NO. 363

Frank Glavin

Sam J. A. [unclear]

Paul J. Smith

Subs. C. No. 10495 for Mr. Silens
by H. W. H. H. H.

UNITED AIR LINES, INC.

Date	Time	Name of passenger	Date of issue	Fare	Tax	Total	Cash	Credit	Balance
16	LAX	SFO BREWSTER	DEC 3	753901		202777			
10	SEA	YACI C.	NOV 24	114276				7.15	
16	YYR	SEA MILTON	NOV 24	205827				1881	
16	SFO	LAX BREWSTER	DEC 14	10494				897	
16	SEA	SFO BREWSTER	DEC 10		5		92.18		
16	SFO	RNO BREWSTER	DEC 10	774682			136		
16	SFO	RNO BREWSTER	DEC 10				272.8		
35	BFA	E. PRASHH	DEC 1	66083			58		
38	OCA	C. BONNELL	NOV 12	181545			292.6		
12	SEA	OGG PRASCH	NOV 30	499091			1106.5		
25	BFI	PSC PRASCH	NOV 30	66079			313.5		
25	BFI	ALB PRASCH	NOV 30	66081		80	361.4		
14	--	BONNELL	NOV 29	901886			292.6		
16	SEA	LAX BREWSTER	NOV 28	132			139.5		
14	YYR	C. BONNELL	NOV 23	564785			330		
16	SFO	SEA BREWSTER	DEC 4	2701			3124.5		
							431		

#8089
1-18-5
2684.9

5859 South Queen Ave. (Charge 18) Home telephone PO-1456571 7 SUEB See reverse side for explanation of city statistics and other codes

U.S. GOVERNMENT PRINTING OFFICE: 1964

IT PAYS TO FLY UNITED AIR LINES

VALIDATION STAMP DATE <u>UAE</u> <u>SAN FRANCISCO</u> CITY OF ISSUANCE <u>DEC 14 54</u> AIRPORT		UNITED AIR LINES, INC. (16) TRANSPORTATION RECEIPT UNIVERSAL AIR TRAVEL PLAN. ORIGINAL-TO CONTRACTOR				AIRLINE <u>0-015110-0-10000</u> CARD NO. <u>0-015110-0-10000</u>	
CARDHOLDER'S NAME <u>FRANK BREWSTER</u>		SUBSCRIBER <u>WESTERN CONTRACTORS OF TEAMWORK</u>		FOR ACCOUNT AND USE ONLY CURRENCY OF TICKETS RATE EXCHANGES AMOUNT IN CONTRACTOR'S CURRENCY			
FORM NO. <u>6</u>		TRIP NO. <u>1009</u>		COMPLETE ROUTING			
FROM	TO	FROM	TO	TO	VIA	RATE	CHARGES
<u>San Francisco</u>	<u>Los Angeles</u>	<u>Los Angeles</u>	<u>San Francisco</u>	<u>San Francisco</u>	<u>Los Angeles</u>	<u>100.00</u>	TAXES
<u>San Francisco</u>	<u>Los Angeles</u>	<u>Los Angeles</u>	<u>San Francisco</u>	<u>San Francisco</u>	<u>Los Angeles</u>	<u>100.00</u>	TAXES
EXCESS BAGGAGE CHARGES				VIA		RATE	CHARGES
							TAXES
TAXES				TAXES		TOTAL	100.00
IF OTHER THAN CARD HOLDER				CONNECTION OF USERS WITH A TICKET		I hereby acknowledge receipt of the ticket as described herein and certify that the issuance of such ticket is my responsibility and that such ticket will be used in accordance with applicable tariffs.	
<u>Frank Brewster</u>				<u>Frank Brewster</u>		SIGNATURE OF CARD HOLDER OR HOLDER OF ONE TRIP ORDER.	

EXHIBIT No. 91B

Ticket No. 201044 + 501045 purchased
for Mr. & Mrs. Fred Galeano

OK - for \$612.40 not in Western Conference file.

UNITED AIR LINES DATE <u>JUN 23 54</u> CITY OF ORIGIN <u>SEA</u> TICKETS <u>700</u>		UNITED AIR LINES, INC. (16) TRANSPORTATION RECEIPT UNIVERSAL AIR TRAVEL PLAN ORIGINAL-TO CONTRACTOR		IMPRINT AIR TRAVEL CARD HERE AIRLINE ACCOUNT NO. <u>UAA 461340 N 2177158</u> CARDHOLDER'S NAME <u>rita m. prason</u> SUBSCRIBER <u>Western Conference of Teachers</u>	
TICKETS FORM NO. <u>1</u> TICKET NO. <u>201044</u> FROM <u>SEA</u> TO <u>LAX</u> VIA <u>SEA</u> FARE <u>134.97</u> <u>1</u> <u>501045</u> <u>YXR</u> <u>BONNELL</u> <u>YXR</u> <u>BONNELL</u> <u>SEA</u> <u>BOI</u> <u>PRASON</u> <u>YXR</u> <u>SFO</u> <u>BONNELL</u> <u>SEA</u> <u>SFO</u> <u>PRASON</u> EXCESS PASSENGER CHARGES <u>40</u>		COMPLETE ROUTING FROM <u>SEA</u> TO <u>LAX</u> VIA <u>SEA</u> FARE <u>134.97</u> FROM <u>SEA</u> TO <u>YXR</u> VIA <u>SEA</u> FARE <u>107.39</u> FROM <u>SEA</u> TO <u>BOI</u> VIA <u>SEA</u> FARE <u>97.80</u> FROM <u>SEA</u> TO <u>SFO</u> VIA <u>SEA</u> FARE <u>97.80</u> FROM <u>SEA</u> TO <u>PRASON</u> VIA <u>SEA</u> FARE <u>97.80</u>		CHARGES FARE <u>134.97</u> TAX <u>2.22</u> FARE <u>107.39</u> TAX <u>2.22</u> FARE <u>97.80</u> TAX <u>2.22</u> FARE <u>97.80</u> TAX <u>2.22</u> FARE <u>97.80</u> TAX <u>2.22</u> TOTAL <u>413.862</u>	
NAMES OF PASSENGERS IF OTHER THAN CARDHOLDER <u>FRED GALEANO</u> <u>MRS. FRED GALEANO</u>		CONNECTION FOR SERVICE WITH CARDHOLDER <u>X Rita M. Prason</u> SIGNATURE OF CARDHOLDER OR HOLDER OF FINE TO ORDER		AIRLINE ACCOUNT NO. <u>UAA 461340 N 2177158</u> CARDHOLDER'S NAME <u>rita m. prason</u> SUBSCRIBER <u>Western Conference of Teachers</u>	

STATEMENT OF ACCOUNT

UNITED AIR LINES, INC.

Issued	From	To	Name of Passenger	Date of Issue	Class Number	Rate	Balance
16	SEA	LAX	PRASON	JUN 20	2177158	134.97	
14	YXR	YXR	BONNELL	JUN 26	151,333	5.05	
14	YXR	YXR	BONNELL	JUN 22	469,089	78.00	
16	SEA	BOI	PRASON	JUN 7	121,639	107.39	
16	YXR	SFO	BONNELL	JUN 22	600,471	97.80	
16	STATE ROOM	LINDSAY		JUN 26	413,044	97.80	
16	SEA	SFO	PRASON	JUN 23	201,044	181.94	

Less Int - 4752.02
 1674.48
 2464.14

OK# 8-10-54 613-40

Reprints in connection with charges or credits, should include the full name and record number as shown on the transportation receipt or receipt for the balance to revenue accounting department.
 1819 South Center Ave. Chicago 28, Illinois. Telephone PL 3-5517. See reverse side for explanation of city rates and air mileage.

EXHIBIT No. 92A

PACIFIC COAST CO.

Frank Deane

JOINT COUNCIL No. 28

Seattle 9, Wash.

1914

5335

PAY to the order of

The sum of \$507.25

DOLLARS

SIXTH AND DEWITT BRANCH

SEATTLE-FIRST NATIONAL BANK

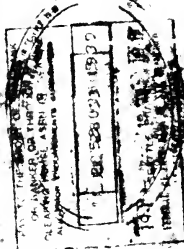
SEATTLE, WASHINGTON

JOINT COUNCIL No. 28

Wm. J. ...
Wm. J. ...

Wm. J. ...

EXHIBIT No. 92B



1.2250.00

Fred Calms

JOINT COUNCIL No. 28
I. B. of T. C. W. and H. of A.12111
12351

Seattle 9, Wash.

No. 5039

PAY to the
order of

The sum of \$1225.00

DOLLARS

BETH AND DUNNY BEACH

SEATTLE-FIRST NATIONAL BANK
SEATTLE, WASHINGTON

JOINT COUNCIL No. 28 I. B. of T. C. W. and H. of A.

J.P.

President
Secretary

Person 2, Jan 7, 1964

With my c

FWP:an

Salary 70, 561.
Expenses 1240.
Total 1414.
WH Tax 1093.30

EXHIBIT No. 93—Continued

16TH CONVENTION LOS ANGELES OCTOBER 1952		DATE		PAY TO THE ORDER OF		P 3600	
SALARY		DATE		P M SHENSTER		AMOUNT	
799 80	301 10	DEC 2 52	16.84		1093 30	
GROSS PAYROLL		TOTAL DEDUCTIONS		TOTAL CREDITS			
147 60		3600					

EXHIBIT No. 94A

DIMNY LEE WALTON

4615 Los Feliz Boulevard

Los Angeles 27 Calif

WEster 79 11

CLImax 85 11

S T A T E M E N T

11/22/54

Sweeney Job

1 Imported crystal Chandelier	\$ 174.00
(Dining room)	
1 Imported crystal fixture	78.00
(Entry Hall)	
	252.00
Less 25% disc	<u>63.00</u>
	189.00
1 Woven casement to close off	
working area	150.00
1 4 panel screen 120" to hide	
furnace and heater	135.00
2 pr curtains for lower bath	
and work area	<u>25.00</u>
	499.00
Packing & Shipping chgs	<u>15.00</u>
	514.00

Attached Gibson Carpet Co statement may
be paid direct or included with above.

#7937
12-9-54

Jimmy Lee Watson

1937
1938

WESTERN CONFERENCE OF TEAMSTERS

U. S. D. T. C. W. and N. of A.

Seattle 9, Wash., DEC 9 1954 1937

PAY to the order of JIMMY LEE WATSON \$514.00

DOLLARS

The sum of \$514 and 00/100ths

WESTERN CONFERENCE OF TEAMSTERS

H.M.

President

SIXTH AND DENNY 22ANCH

SEATTLE-FIRST NATIONAL BANK

SEATTLE WASHINGTON

Secretary-Treasurer

11

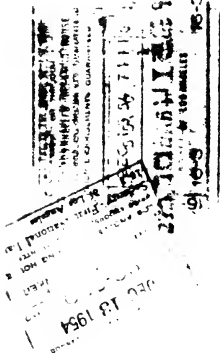


EXHIBIT No. 95A

1.

DIMNY LEE WALTON

4615 Los Feliz Boulevard

Los Angeles 27, Calif.

WEbster 1-7018

OLympia 8579

11/1/54

S T A T E M E N T

Sweeny Job

CARPETING

Carpeting as quoted w/40os pad	\$ 2489.06
Credit 178 yds @ 1.00 less 20%	<u>132.40</u>

2356.66

180 yds Cushionsire Foam rubber	
padding @ 2.50 less 15%	382.50

9 sq yds Pencoord @ 10.95 less 20%	<u>78.84</u>
(This additional carpeting was required for Recreation room)	

\$ 2818.00

EXHIBIT No. 95B

DIMNY LEE WALTON

4615 Los Feliz Boulevard

Los Angeles 27, Calif.

WEbster 1-7018

OLympie 8579

S T A T E M E N T

11/1/54

Mr. F. W. Brewster
 552 Denny Way
 Seattle 9, Washington

R E C A P I T U L A T I O N

Page

1. Carpeting	\$ 2818.00
2. Living room & Dining room	1274.19
3. Master bedroom & Boy's room	1018.82
4. Guest room & Kitchen	299.72
5. Master bath & Recreation room	138.75
5. Lining for entire job	233.95
5. Packing & Shipping charges	<u>63.15</u>

Paid on account 10/7/54

5847.58

4039.06

Balance

1808.52

301.79

\$ 2/10-31

#7878

11/16/54

was sent to the company for the job. The

total amount was \$4039.06. The

balance of \$1808.52 is due

to the company. The balance of \$301.79

is due to the company. The balance of \$2/10-31

is due to the company. The balance of \$7878

is due to the company. The balance of \$11/16/54

EXHIBIT No. 95C

2.

LEE WALTON

S T A T E M E N T

4615 Los Feliz Boulevard

Los Angeles 27, Calif.

WEbster 1-7018

OLympia 8579

11/1/54

Sweeny Job

LIVING ROOM

1	Protecto casement 50 yds @ 1.50	\$ 75.00
	Labor 17 w machine made @ 3.75	63.75
1	Fortisan casement tri fullness	
	hand made 59 yds @ 3.00	177.00
	Labor 20 w hand made @ 4.75	95.00
1	pr lined drapes & valances 4 w	
	1-27' 24 yds @ 5.00	120.00
	Labor drapes 4w @ 6.00	24.00
	Labor 27'w/tack strip @ 3.50	94.50

DINING ROOM

61 1/4	Hand blocked satin panels for	
	drapes and valances @ 7.95	486.94
	Labor 13w @ 6.00	78.00
	Labor 20' shirred val @ 3.00	60.00
		<hr/>
		1274.19

DIMNY LEE WALTON

4615 Los Feliz Boulevard

Los Angeles 27, Calif.

WEbster 1-7018

OLympia 8579

S T A T E M E N T

11/1/54

Sweeny Job

MASTER BEDROOM

45 yds fabric for drapes, valances and bed skirts @ 7.95	\$ 357.75
13 1/2 yds satin for bedspreads, shams and pillows @ 4.50	60.75
Labor 10 w/drapes @ 6.00	60.00
Labor 12 1/2' valance @ 2.75	34.37
Labor 2 sheet spreads @ 37.50 w/shams	75.00
Labor 2 bedskirts @ 18.50	37.00
Labor 2 Dacron filled pillows @ 5.00	10.00
Labor 15 yds quilting @ 4.50	67.50

BOY'S ROOM

21 1/2 yds drape fabric @ 5.00 (2pr drapes)	107.50
Labor 8w/ lined drapes @ 6.00	48.00
16 1/3 yds tweed bedspreads, shams and cornices @ 4.50	73.50
Labor 2 lined spreads @ 30.00	60.00
4 Pillows 3 yds @ 2.75	8.25
Labor 4 pillows @ 3.75 m/filled	15.00
2/3 yds fabric desk chair seat @ 6.50	4.20

1012.02

EXHIBIT No. 95E

5.

DIMMY LEE WALTON

4615 Los Feliz Boulevard

Los Angeles 27 Calif

Webster 7018

Olympia 8579

S T A T E M E N T

11/1/54

Sweeny Job

MASTER BATH

1 Dutch curtain, glass boucle	
4 panels 4½ yds @ 3.00	\$ 13.75
Labor 4 panels @ 2.50	10.00

RECREATION ROOM

1 Hand woven casement match stick	
incl make up for traverse and lined	115.00

LINING

Lining used on entire job for drapes
valances, bedspreads, dust ruffles,
pillows etc

61 Yds Tempo resisto @ 1.95	118.95
115 yds regular drap/lining @ 1.00	115.00

PACKING & SHIPPING

Packing and shipping	<u>63.15</u>
----------------------	--------------

All work custom made casements, valances,
drapes. Triple fullness used throughout.

EXHIBIT No. 95F

4.

LENNY LEE WALTON

4615 Los Feliz Boulevard

Los Angeles 27, Calif

WEster - 70 2

OLympic 8579

STATEMENT

11/1/54

Sweeny Job

100 yds fabric for drapes, bedskirt	
pillows 2.50	\$ 50.00
100 yds f/w drapes 6.00	36.00
100 yds fabric for bolster and	
pillows 3.75	28.12
100 yds quilting 4.50	45.00
100 yds cap spread	37.50
100 yds bolster	20.00
100 yds pillows 4.00	8.00

11/1/54

100 yds paneled case curtains &	
100 yds glass door 12yds 2.50	30.00
100 yds spread 3.50	28.00
100 yds glass for	4.00
Hardware for Kitchen, 100 yds brass	
plugs 1.50	7.50
100 yds brass tubing 3.00	3.60
100 yds sockets 5.00	2.00
	<u>299.72</u>

EXHIBIT No. 95G

LEE WALTON

CONFIRMATION

4615 Los Angeles Blvd.

Los Angeles, Calif.

WFW

5/28/54

J. F. W. Brewster
Denny Way
Seattle, Washington

MEASURING

(Mr. & Mrs. John Sweeny Job)

• Carpeting as selected Gulistan Coronation for living room, entry hall, one bedroom, pass hall, rear hall	100 2/3 yds @ 18.95	\$ 1907.82
• Carpeting as selected Mogee Domain for master bedroom	22 2/3 yds @ 18.95	429.52
• Carpeting as selected Mogee Penwood for rumpus room, stairs, steps etc	54 4/9 yds @ 10.95	596.18
• 178 yds of padding @ 1.00		<u>178.00</u>
		3111.32
Less 20% discount		<u>622.26</u>
		\$ 2489.06
Estimate for casement materials etc		<u>1550.00</u>
		\$ 4039.06

Shipping charges have not been included in the above price, but will be billed at a later date, and should run approximately \$20.00

Contacted Mr. Wieland, of the Gibson Carpet Co of Seattle. Supervised his measuring the entire job, and he quoted a price for sewing and laying complete for \$390.37, which includes State Sales tax.

W/C# 7687
9-30-54

EXHIBIT No. 95H

SUNGLO VENETIAN BLIND MFG.
DRAPERIES

Shades • Cornices • Traverse Rods

1320 Dearborn St.

SEATTLE 44. WASH.

Franklin 4906

Cust. _____ Date Nov 10 1954

Mr. E. L. Walton
Olympic Hotel 4th & Seneca Bldg 872
Seattle Wash

SOLD TO	ASH	C. O. D.	CHARGE ON ACCT	DEBIT RETD	PAID OUT
Q. A. N.	DESCRIPTION			PRICE	AMOUNT
	Traverse, 1 box rods				109 00
2	Covered corners				20 00
39	2 in ft plain corner				25 00
	made over display.				15 00
	" " coffee				5 00
34	hr. labor			3.50	119 00
					293 00
	Sales tax				8 79
					301 79
	TAX				
	TOTAL				

All claims and returned goods MUST be accompanied by this bill.

No. 10953

Rec'd by _____

EXHIBIT No. 96A

161
61000 05 0 400
JULY 19 1934
JULY 19 1934
JULY 19 1934

WESTERN CONFERENCE OF TEAMSTERS
I. B. of T. C. W. and M. of A.

19-111
1231

PAY TO the ORDER of DIMMY LEE WATSON 403 403 403
Seattle 9, Wash., SEPT. 30 1934 No. 7687
DOLLARS 54039 06

SIXTH AND DENNY BRANCH
SEATTLE-FIRST NATIONAL BANK
SEATTLE, WASHINGTON
WESTERN CONFERENCE OF TEAMSTERS
By John J. [Signature] President
Secretary Treasurer

EXHIBIT No. 97

PLACED TO THE CREDIT OF
John J. Sweeney
 THE FIRST NATIONAL BANK OF PORTLAND
 24-70 S. 1st and Morrison Branch 24-70
 PORTLAND, OREGON

TO THE ORDER

24-70 S. 1st and Morrison Branch 24-70
 PORTLAND, OREGON

WESTERN CONFERENCE OF TEAMSTERS

L.B. of T.C.W. and N.W.A.

Seattle 9, Wash. *Aug 25* 1934 No. *7601*

PAY to the order of

JOHN SWEENEY

Twenty Five Dollars

\$25.00

DOLLARS

SIXTH AND DENNY BRANCH

SEATTLE-FIRST NATIONAL BANK
 SEATTLE, WASHINGTON

WESTERN CONFERENCE OF TEAMSTERS

President

W. J. Sweeney

Treasurer

Fred C. Sweeney

EXHIBIT No. 98

RECEIVED
JAN 16 1937
U.S. DEPT. OF JUSTICE
WASHINGTON, D.C.

Pay to the Order of
342 B. of America 342
HARRY APPLE, INC.

248 38000-

WESTERN CONFERENCE OF TEAMSTERS
1807 C.W. and N. of A.

19311
1281

PAY to the
order of

Seattle 9, Wash.
Twenty Five Dollars
Twenty Five Dollars

No 7358

3115-00
24 DOLLARS

WESTERN CONFERENCE OF TEAMSTERS

SIXTH AND DENNY SE-1-N-TH
SEATTLE-FIRST NATIONAL BANK
SEATTLE, WASHINGTON

President
Secretary

W. A. Apple, Inc.
248 38000-

MOST MODERN RECAPPING FACILITIES IN THE NORTHWEST

STORE NO 2
400 AVE. SO. AT MASS.
ELIOT 9909

STORE NO 4
555 DENNY WAY
ELIOT 7750

Standard Service Tire Co., Inc.

MAIN STORE & OFFICES FAIRVIEW AVE. & DENNY WAY
SEATTLE 1, WASH. MAIN 1771

K 70557

STORE NO 5
BOREN & STEWART
Seneca 9427

WAREHOUSE & DEALER SALES
906 VIRGINIA
Seneca 5201



SOLD TO

Western Conference of ... 10-28
Seneca 5201

ON 18015
CREDIT 0 0

CREDIT O K

[illegible]

SIGNATURE

INVOICE

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63
18.90

54.74

431

Horse
Trunk

CO/C

21 812

5423

C. A. C.

1570

Local 760

EXHIBIT No. 100—Continued

STATEMENT

Standard Service

TIRE Co., Inc.



FACTORY

Western Conference Teamsters
552 Denny Way
Seattle 9, Wash.

AMOUNT REMITTED \$			
DATE	FOLOT	CHARGES	BALANCE
			BALANCE FORWARD →
1 54	32455✓	2.40	1,007.55
	32566✓	3.66	
	32667✓	1.87	
	32557✓	2.24	
	32605✓	3.70	
	32594✓	2.10	
	32592✓	3.66	
	32424✓	4.09	
	32495✓	3.25	1,034.52
4 54	32625✓	4.65	
	32682✓	3.22	
	32587✓	4.55	
5 54	32573✓	4.80	1,051.74
	32786✓	4.34	
	32803✓	5.30	
	32833✓	4.17	
	32848✓	22.00	1,087.55
6 54	32763✓	2.70	
	32764✓	4.00	
	32731✓	3.41	
	32754✓	3.03	
	32748✓	3.65	
	32837✓	4.05	1,108.39

NET CASH — NO DISCOUNT
BILLS DUE AND PAYABLE 10TH OF MONTH
MONTH CHARGED ON ALL PAST DUE ACCOUNTS

LAST AMOUNT
IN THIS COLUMN
IS BALANCE DUE

STANDARD SERVICE TIRE CO., INC.

EXHIBIT No. 100—Continued

STATEMENT

Standard Service² TIRE Co., Inc.

DISTRIBUTORS



FAIRVIEW AVENUE AND DENNY WAY

OCT 31 1954

Mutual 6300

SEATTLE 1, WASHINGTON

Western Conference Teamsters
552 Denny Way
Seattle 9, Wash.

PLEASE DETACH THIS STUB AND MAIL WITH REMITTANCE

AMOUNT REMITTED \$

DATE	FOLIO	CHARGES	CREDITS	BALANCE
			BALANCE FORWARD	1,108.3
OCT 6 54	32702✓	6.54		
	32716✓	3.82		1,118
OCT 7 54	32915✓	2.86		
	32906✓	3.80		
	32907✓	2.24		
	32854-	4.18		1,131.
OCT 8 54	32889✓	3.55		
	33009✓	2.32		
	32949✓	4.61		
	33078✓	4.70		
	32871✓	3.23		
	33132✓	5.62		
	32886✓	3.66		
	32960✓	.82		
	33101✓	9.64		
	32860-	25.40		
	32861-	49.44		1,242.
OCT 11 54	33271✓	2.89		
	33269✓	2.44		
	33035✓	3.60		1,250.
OCT 12 54	33152✓	14.98		
	33222✓	12.36		
	33285✓	6.18		1,284.

TERMS NET CASH — NO DISCOUNT

ALL BILLS DUE AND PAYABLE 10TH OF MONTH

1% PER MONTH CHARGED ON ALL PAST DUE ACCOUNTS

LAST AMOUNT IN THIS COLUMN IS BALANCE DUE

STANDARD SERVICE TIRE CO., INC.

EXHIBIT No. 100—Continued

STATEMENT

4

Standard Service

TIRE Co., Inc.

DISTRIBUTORS



FAIRVIEW AVENUE AND DENNY WAY

SEATTLE 1 WASHINGTON

Western Conference Teamsters
552 Denny Way
Seattle 9, Wash.

PLEASE DETACH THIS STUB AND MAIL WITH REMITTANCE

AMOUNT \$

DATE	FO L O	CHARGES	CREDITS	BALANCE
			BALANCE FORWARD →	1,613.96
8 54	33518	3.89		
	33732	3.30		
	33726	4.61		1,625.76
9 54	33863✓	3.68		
	33831✓	4.83		1,634.27
9 54	33748	3.06		1,637.33
0 54	33775✓	9.91		
	33783	3.45		
	33763✓	3.35		
	33791✓	3.90		
	33627	3.08		1,661.02
1 54	34026	6.14		
	33953	4.68		
	33855	3.72		
	34023	3.21		
	33950	4.17		1,682.94
2 54	33907	4.64		
	33913	13.41		
	34176	6.95		
	33967	3.03		
	33994	3.10		
	34131✓	5.32		
	33957✓	3.51		1,722.90

NET CASH — NO DISCOUNT

PAID DUE AND PAYABLE 10TH OF MONTH

MONTH CHARGED ON ALL PAST DUE ACCOUNTS

LAST AMOUNT
IN THIS COLUMN
IS BALANCE DUE

STANDARD SERVICE TIRE CO., INC.

EXHIBIT No. 100—Continued

STATEMENT
6**Standard Service
TIRE CO., INC.**

FAIRVIEW AVENUE AND DENNY WAY

SEATTLE WASHINGTON

Western Conference Teamsters
550 Denny Way
Seattle 9, Wash.

		AMOUNT PAID	
		DATE	BALANCE
		BALANCE FORWARD	1,945.00
OCT 28 54	34415	3.05	
	34352	3.31	
	34499	3.47	
	34360	5.38	1,960.21
OCT 29 54	71922	11.59	1,971.80
OCT 29 54	34588	2.06	
	34589	8.71	
	34595	3.15	
	34662	3.54	
	34679	4.54	
	34379	3.30	
	34375	2.65	
	34678	4.20	
OCT 29 54	50126	3.01	2,004.00
			2,007.67
		CH# 7727	1007.5
		#7811-	1000.1

TERMS: NET CASH NO DISCOUNT
ALL BILLS DUE AND PAYABLE 15TH OF MONTH
1% PER MONTH CHARGED ON ALL BALANCES OUTSTANDING

LAST AMOUNT
IN THIS COLUMN
IS BALANCE DUE

STANDARD SERVICE TIRE CO., INC

EXHIBIT No. 100—Continued

STATEMENT

Standard Service³

TIRE CO., INC.



FAIRVIEW AVENUE AND DENNY WAY

OCT 31 1954

Mutual 6500

SEATTLE 1, WASHINGTON

Western Conference Teamsters
552 Denny Way
Seattle 9, Wash.

PLEASE CLERK		STANDARD SERVICE		AMOUNT REMITTED	
DATE	FOUND	CHARGES	RECEIVED	BALANCE	
			BALANCE FORWARD	1,284.47	
12 54	33280	6.71			
	33159	2.66			
	33292	4.22			
	33277	5.56			
	33215	10.07			
	59869	22.00		1,335.69	
1 13 54	33183	6.18			
	33181	6.18			
	33387	7.31			
	33412	9.53			
	33186	5.14			
	5987	165.00		1,535.03	
54	5	6.45		1,541.48	
		6.80			
		2.70		1,550.98	
		4.40			
		3.15			
		3.37			
		4.39			
		3.00			
		1.89			
		4.12			
		4.11			
		25.69			
		8.86		1,559.84	

FOUNTS

LAST BALANCE
IN THIS COLUMN
IS BALANCE DUE

EXHIBIT No. 100

STATEMENT

5

Standard Service Tire Co., Inc.



1400 NEW AVENUE AND DENVER WAY

SEATTLE - WASHINGTON

MURDER

Western Conference Teamsters
552 Denny Way
Seattle 9, Wash.

DATE	RECEIVED	AMOUNT	BALANCE
			1,722.90
OCT 22 54	33903	7.99	
	33986	6.78	
OCT 25 54	21905	55.00	1,792.67
	34121	4.64	
	34322	9.54	
	34325	5.01	
	34149	3.33	
	34051	4.36	
	34183	1.61	
	34198	4.38	
	34329	5.75	1,831.29
OCT 25 54	34329	10.00	1,841.29
OCT 25 54	50106	9.01	1,850.30
OCT 25 54	70557	62.32	
	70391	2.83	1,915.45
OCT 26 54	34079	3.28	
	34313	3.31	
	34340	4.70	
	34249	4.35	
	34204	3.90	1,934.99
OCT 27 54	34398	2.49	1,937.48
OCT 27 54	50130	4.3	
OCT 28 54			

STANDARD

EXHIBIT No. 101

1652 Pay to the Order of
 CENTRAL BANK
 STANDARD SERVICE TIRE CO.

161
 ORDER ALL PAY TO BE MADE TO THE
 ORDER OF THE
 STANDARD SERVICE TIRE CO.
 14220 1/2 N 54th Street, Seattle, Wash.
 THE TIRE COMPANY

19-111
 1251

WESTERN CONFERENCE OF TEAMSTERS
 18 of T. C. W. and M. of A.

Seattle, Wash., Nov. 15, 1934 No. 7811

PAY to the order of STANDARD SERVICE TIRE CO. \$1000.⁰⁰/₁₀₀
 The sum of **\$1000 and 12/100** DOLLARS

WESTERN CONFERENCE OF TEAMSTERS

SIXTH AND BENNY BRANCH

SEATTLE-FIRST NATIONAL BANK

SEATTLE, WASHINGTON

By H. H. Bennett President
W. J. Sullivan Secretary-Treasurer
 Paid

EXHIBIT No. 103

WESTERN CONFERENCE OF TEAMSTERS

I. B. of T. C. W. and N. of A.

19-111
1931

Seattle 9, Wash., Dec 1 1931 No 7895

PAY to the order of Western Conference of Teamsters
The sum of \$2500 and 00 cts 32500⁰⁰
 DOLLARS

WESTERN CONFERENCE OF TEAMSTERS

SIXTH AND DENNEY BRANCH

SEATTLE-FIRST NATIONAL BANK
 SEATTLE, WASHINGTON

3137

By J. J. [Signature] Secretary


EXHIBIT No. 104

Tim McCallough

Pay to Seattle-First National Bank
461 SEATTLE, WASH., or Order 461
A. A. TREMPER
COUNTY TREASURER
KING COUNTY, WASHINGTON

G-A

*LA
MAY
SEANCE
ADDRESS*

WESTERN CONFERENCE OF TRANSIENTS

L. A. T. C. W. and N. A.

Seattle 5, Wash. *SEPT. 11* 19*36* No. *10988*

PAY TO THE ORDER OF *Tim McCallough*

The sum of *\$500 and 00/100*

WESTERN CONFERENCE OF TRANSIENTS

SIXTH AND SPUR BLANCH

SEATTLE-FIRST NATIONAL BANK

SEATTLE, WASHINGTON

*James J. [illegible]
James J. [illegible]*

EXHIBIT No. 105

Handwritten:
 17366 15 26 28
 17366 15 26 28
 17366 15 26 28

WESTERN CONFERENCE OF TEAMSTERS
 18-1111
 1311

WESTERN CONFERENCE OF TEAMSTERS
 18-1111
 1311

WESTERN CONFERENCE OF TEAMSTERS
 18-1111
 1311

WESTERN CONFERENCE OF TEAMSTERS
 18-1111
 1311

Handwritten: 17366 15 26 28

WESTERN CONFERENCE OF TEAMSTERS
 18-1111
 1311

18-1111
 1311

18-1111
 1311

PAY TO THE
 order of

ALLIED
 PROPERTIES

5000 AND 00 CTS

SIXTH AND DENNY BRANCH

SEATTLE-FIRST NATIONAL BANK
 SEATTLE, WASHINGTON

WESTERN CONFERENCE OF TEAMSTERS

President

Handwritten: [Signature]

Secretary-Treasurer

Handwritten: [Signature]

EXHIBIT No. 106

Handwritten: Bond

1920
20
1920

WESTERN CONFERENCE OF TEAMSTERS

18 of 100 and 10 of 100

with 100 worth

OCT. 12

154

2000

PAY

A.E.

LEONARD

3000

3000.00

SIXTH AND DENNY BRANCH

SEATTLE FIRST NATIONAL BANK

SEATTLE WASHINGTON

WESTERN CONFERENCE OF TEAMSTERS

Handwritten signature



EXHIBIT No. 108

FRANK BREWSTER

COMPARISON OF TOTAL COMPENSATION AND ALLOWANCES
AS SHOWN ON DEPT. OF LABOR REPORTS WITH DATA IN INCOME TAX RETURNS
LOCAL 174, INTERNATIONAL BROTHERHOOD OF TEAMSTERS

	Per Dept. of Labor	Per Income Tax Returns
1949	\$ 9,622.50 780.00	\$ 15,622.50
1950	9,622.50 780.00	15,622.50
1951	9,672.50 780.00	14,220.50
1952	9,672.50 780.00	17,429.00
1953	9,672.50 780.00	17,429.50
1954	-	879.50
1955	365.00	-
	\$ 52,527.50	\$ 52,529.50

EXHIBIT No. 109

FRANK BREWSTER

COMPARISON OF TOTAL COMPENSATION AND ALLOWANCES
AS SHOWN ON DEPT. OF LABOR REPORTS WITH DATA IN INCOME TAX RETURNS
INTERNATIONAL BROTHERHOOD OF TEAMSTERS

	<u>Per Dept. of Labor</u>		<u>Per Income Tax Returns</u>
1947	\$ 1,233.00 1,017.15	\$ 2,250.15	\$ 1,233.00
1950	575.40 621.20	1,196.60	575.40
1951	1,972.80 2,942.83	4,915.63	1,972.80
1952	4,116.80 5,062.61	9,179.41	4,116.80
1953	6,322.00 4,661.95	10,983.95	6,322.00
1954	6,000.00 4,802.38	10,802.38	6,000.00
1955	6,000.00 10,991.62	16,991.62	6,000.00
	26,220.00		
	\$ 30,092.74	\$ 56,319.74	\$ 26,220.00

EXHIBIT No. 112A

Form 990
ANNUAL RETURN OF ORGANIZATION EXEMPT FROM INCOME TAX UNDER SECTION 101 OF THE INTERNAL REVENUE CODE, OR UNDER CORRESPONDING PROVISIONS OF PRIOR REVENUE ACTS
(Statement of gross income, receipts, disbursements, etc., as required under Section 54 (f) of the Internal Revenue Code, as added by Section 117 of the Revenue Act of 1943) (See instruction 1)

Page 1

UNITED STATES

ANNUAL RETURN OF ORGANIZATION EXEMPT FROM INCOME TAX UNDER SECTION 101 OF THE INTERNAL REVENUE CODE, OR UNDER CORRESPONDING PROVISIONS OF PRIOR REVENUE ACTS
(Statement of gross income, receipts, disbursements, etc., as required under Section 54 (f) of the Internal Revenue Code, as added by Section 117 of the Revenue Act of 1943) (See instruction 1)

For Calendar Year 1950

or Fiscal Year Begun , and Ended

<p>This return must be filed on or before the 15th day of the 1st month following the close of the annual accounting period. Returns must be filed with the Collector of Internal Revenue for the district in which is located the principal place of business or principal office of the organization.</p>	<p>PRINT PLAINLY LEGAL NAME AND ADDRESS OF THE ORGANIZATION</p> <p>JOINT COUNCIL #28 BUILDING ASSOCIATION (Give name in full)</p> <p>552 Henry Way (Street and number)</p> <p>SEATTLE 9 King WASHINGTON (Post office) (County) (State)</p>		<p>File Code _____</p>
	<p>Have you been advised by Bureau letter of your exemption? <input type="checkbox"/> If so, state date of letter and subsection of section 101 under which you are exempt June 10, 1948 (1)</p>		<p>Serial No. _____</p>
	<p>State nature of your activities Maintenance of building housing labor organization.</p>		<p>District _____</p>

- What is the legal form of your organization (corporation, trust, unincorporated association, etc.)? **Corporation**
- In what year was your organization formed? **1933**
In what State or country? **Washington**
- If this is your first return under your present name, indicate whether (a) completely new organization ☐ or (b) successor to previously existing organization(s) ☐ If successor to previously existing organization(s), give name(s) and address(es) of the predecessor organization(s) _____
- Enter the approximate number of members (if a cooperative) or stockholders at the close of the year. Members _____ Stockholders: Preferred _____ Common _____
- If you have capital stock issued and outstanding, state with respect to each class of stock (a) the number of shares outstanding, (b) the number of shares held by individuals, (c) the number of shares held by organizations, and (d) whether any dividends may be paid _____
- Are you affiliated with any other organization whether or not tax exempt? **No** If so, give name of organization and nature of affiliation _____
- State the names and addresses of the officers or other persons having care of the books of account, minutes, correspondence, and other documents and records of the organization.
F. W. Brewster, Sec'y, 552 Henry Way
(Name and title) (Address)
Dave Beck, Pres. 552 Henry Way, Seattle
(Name and title) (Address)
- Have any changes not previously reported to the Bureau been made in your articles of incorporation or bylaws or other instruments of similar import? (Yes or no) **If so, attach a copy of the amendments**
- Have you had any sources of income or engaged in any activities which have not previously been reported to the Bureau? (Yes or no) **If so, attach detailed statement.**
- Do you derive any rents or royalties from property which you have purchased from the lessee? **No** Is any property of the organization leased or rented to, or does the organization lease or rent any property from, any person or groups of persons directly associated with the organization filing this return? **No** If either answer is "yes," give a detailed statement.
- Check whether this return was prepared on the cash ☒ or accrual ☐ basis
- If you were held exempt under section 101 (4), state the total amount of mortgage loans made during the year to (a) members, \$ _____ (b) nonmembers, \$ _____
- If you were held exempt under section 101 (8), state whether any of your activities consisted of carrying on propaganda or otherwise attempting to influence legislation **No** If so, attach detailed statement
- Farmers' cooperative marketing and purchasing organizations shall also state—
(a) Number of shares of voting stock owned by (1) producers _____ (2) nonproducers _____
(b) Were nonmembers charged the same as members for marketing and merchandise? (Yes or no) **No**
(c) State—

	Members	Nonmembers
Sales for	\$ _____	\$ _____
Purchases for	\$ _____	\$ _____
Patronage dividends to	\$ _____	\$ _____

(d) Value of agricultural products marketed or handled for members (1) actually produced by such members, \$ _____; (2) purchased or otherwise acquired by such members, \$ _____ for nonmembers (1) actually produced by such nonmembers, \$ _____; (2) purchased or otherwise acquired by such nonmembers, \$ _____
(e) Value of supplies and equipment purchased for or sold to (1) members, \$ _____ (2) nonmembers who were producers, \$ _____ (3) nonmembers who were not producers, \$ _____
(f) Amount of business done for United States Government or agencies thereof, \$ _____

16-50800-4

EXHIBIT No. 112A—Continued

INCOME, DUES, CONTRIBUTIONS, ETC.

Page 2

Item No.	Description	Amount	Amount
1	Dues, assessments, etc., from members, excluding service and other charges properly included under item 7 (see Instruction 5)	\$	
2	Dues, assessments, etc., from affiliated organizations (see Instruction 5)	\$	
3	Contributions, gifts, grants, etc. received (see Instruction 5)	\$	
4	Interest	\$	
5	Dividends	\$	
6	Rents	\$	
7	Gross receipts from business activities (state nature)	\$	
8	Patronage dividends (or patronage refunds), received	\$	
9	Gains or losses from sale of assets, excluding inventory items (from Schedule H)	\$	
10	Other income of more than 10 percent of item 11, attach itemized schedule. Also see Instruction 5)	\$	
11	Total of items 1 to 10, inclusive	\$	
DISPOSITION OF INCOME, DUES, CONTRIBUTIONS, ETC.			
A	Expenses attributable to income items 6 and 7 (See Instruction 6)	\$	
12	Cost of goods sold, or, in the case of farmers' cooperatives, purchases for or advances to patrons	\$	
13	Compensation of officers, directors, trustees, etc.	\$	
14	Wages, salaries, and commissions (other than compensation of officer, directors, trustees, etc.)	\$	
15	Interest	\$	
16	Taxes (such as property, income, social security, unemployment taxes, etc.)	\$	
17	Rent	\$	
18	Depreciation	\$	
19	Miscellaneous expenses (state nature)	\$	
(a)	Buildg., equip., supplies, Maintenance & Repairs	\$	
(b)	Fuel, light, heat, water, phone	\$	
(c)	Building payments and alterations	\$	
(d)	New construction	\$	
B	Other expenses:	\$	
20	Dues, assessments, etc., to affiliated organizations	\$	
21	Compensation of officers, directors, trustees, etc. (not included under item 13)	\$	
22	Wages, salaries, and commissions (not included under item 14)	\$	
23	Interest (not included under item 15)	\$	
24	Taxes (not included under item 16)	\$	
25	Rent (not included under item 17)	\$	
26	Miscellaneous expenses not elsewhere classified (state nature)	\$	
(a)	Loan payments	\$	
(b)		\$	
(c)		\$	
(d)		\$	
C	Contributions:	\$	
27	Contributions, gifts, grants, etc., paid (state to whom paid):	\$	
(a)	Gifts	\$	
(b)		\$	
(c)		\$	
(d)		\$	
D	Other dispositions:	\$	
28	Benefit payments to or for members or their dependents:	\$	
(a)	Death, sickness, hospitalization, disability, or pension benefits	\$	
(b)	Other benefits	\$	
29	Dividends (other than patronage dividends) and other distributions to members, shareholders, or depositors	\$	
30	Cash patronage dividends (or patronage refunds) (for farmers' cooperatives only)	\$	
31	Patronage dividends (or patronage refunds) in stock, notes, credits, or other evidence of equity or indebtedness (for farmers' cooperatives only)	\$	
32	Additions (if any) to reserves (attach itemized schedule)	\$	
33	Additions (if any) to surplus	\$	
34	Total of items 12 to 33, inclusive (see Instruction 7)	\$	

EXHIBIT No. 112A—Continued

Schedule A.—BALANCE SHEETS (See Instruction B)
(To be completed if gross value of assets is \$25,000 or more)

PAGE 3

ASSETS	BEGINNING OF YEAR		END OF YEAR	
	Amount	Total	Amount	Total
1. Cash		\$ 17790 74		\$ 1,611 22
2. Notes and accounts receivable	\$ 15638 40		\$ 17,773 66	
Less: Reserve for bad debts		15638 40		
3. Inventories				
4. Investments in governmental obligations				
5. Investments in nongovernmental bonds, etc.				
6. Investments in corporate stocks (See Instruction 9)				
7. Other investment (itemize)	\$		\$	
		33429 14		19,384 88
8. Capital assets:				
(a) Depreciable (and depletable) assets (attach itemized schedule)	\$ 368252 40		\$ 368252 40	
Less: Reserve for depreciation (and depletion)	96034 77	272217 63	109583 58	258,668 82
(b) Land		23680 00		23,680 00
9. Other assets (itemize)	\$		\$	
		329326 77		
10. TOTAL ASSETS		\$		\$ 101,733 70
LIABILITIES				
11. Accounts payable		\$		\$
12. Bonds, notes, and mortgages payable:				
(a) With original maturity of less than 1 year	\$ 85500 00		\$ 85,500 00	
(b) With original maturity of 1 year or more		85500 00		85,500 00
13. Other liabilities (itemize)	\$		\$	
Payable Liabilities	\$ 3528 48	3528 48		
14. Surplus reserves (itemize)	\$		\$	
15. Capital stock				
(a) Preferred stock	\$		\$	
(b) Common stock				
16. Membership certificates				
17. Paid-in or capital surplus (or donated capital if a trust)				
18. Earned surplus and undivided profit				
19. TOTAL LIABILITIES		\$ 99,028 48		\$ 85,500 00

Schedule B.—GAINS AND LOSSES FROM SALE OF ASSETS, EXCLUDING INVENTORY ITEMS

1. Description of property	2. Date acquired	3. Book value at time of sale	4. Gross sales price (contract price)	5. Cost (or value at time of acquisition if so stated)	6. Expense of sale and cost of improvements subsequent to acquisition	7. Depreciation since acquisition	8. Gain or loss (net: 4 plus net 7 minus the sum of cost 5 and 6)
(a)		\$	\$	\$	\$	\$	\$
(b)							
(c)							
(d)							
(e)							
(f)							
Total net gain (or loss) (enter as item 9, page 2)							\$

Supplemental information required for Schedule B

State with respect to each item of property reported in Schedule B

- (1) How property was acquired
- (2) Relationship of purchaser to vendor organization, or founder, officers, directors, or trustees of vendor organization
- (3) If property was not sold for cash, state terms of sale

EXHIBIT No. 112A—Continued

Page 4

We, the undersigned, president (or vice president, or other principal officer) and treasurer (or assistant treasurer, or chief accounting officer) of the organization for or by which this return is made, each for himself declares under the penalties of perjury that this return has been examined by him and is to the best of his knowledge and belief a true, correct, and complete return.

Frank W. Brewster 5-15-51
 [CORPORATE] (President or other principal officer) (State title) (Date) (Treasurer, Assistant Treasurer, or Chief Accounting Officer) (State title) (Date)

The following additional declaration shall be executed by the person other than an officer or employee of the organization actually preparing this return.

I declare under the penalties of perjury that I prepared this return for the organization(s) named herein and that this return is to the best of my knowledge and belief a true, correct, and complete return.

Joint Council #28 Building Association

(Name of firm or employer, if any)

Signature of person preparing this return

5-15-51
 (Date)

GENERAL INSTRUCTIONS

1. An annual statement of gross income, receipts, disbursements, etc., on this form, is required by law of every organization which is exempt from tax under the provisions of section 101 of the Internal Revenue Code, excepting only a (1) religious organization exempt under section 101 (6); (2) educational organization exempt under section 101 (6), if it normally maintains a regular faculty and curriculum and normally has a regularly organized body of pupils or students in attendance at the place where its educational activities are regularly carried on; (3) charitable organization; or an organization for the prevention of cruelty to children or animals, exempt under section 101 (6), if supported, in whole or in part, by funds contributed by the United States or any State or political subdivision thereof, or primarily supported by contributions of the general public; (4) organization exempt under section 101 (6), if operated, supervised, or controlled by or in connection with a religious organization exempt under section 101 (6); (5) fraternal beneficiary society, order, or association solely exempt under section 101 (3); or (6) corporation exempt under section 101 (15), if wholly owned by the United States or any agency or instrumentality thereof, or a wholly owned subsidiary of such corporation.

2. This form shall be prepared in accordance with the method of accounting regularly employed in keeping the books of your organization.

3. Fill in the items on pages 2 and 3 of this form to the extent that they apply to your organization.

4. A group return on this form may be filed by a central, parent, or like organization for two or more of its chartered, affiliated, or associated local organizations which (a) are subject to its general supervision and examination, (b) are exempt from tax under the same provision of revenue law as the central organization, (c) have authorized it in writing to include them in such return, and (d) have filed with it statements, verified under oath or affirmation, of the information required to be included in this return. Such group return shall be in addition to the separate return of the central organization, but in lieu of separate returns by the local organizations included in the group return. There shall be attached to such group return a schedule showing separately (a) the total number, names, and addresses of the local organizations included, and (b) the same information for those not included therein. In addition, if the parent or any one affiliated organization included in a group return has income of more than \$5,000 from rents and business activities includible

under items 6 and 7 of this form, there shall be submitted for such parent and each such affiliate (1) a separate statement showing the information called for in items 6 and 7 and items 12 through 19, and (2) a separate balance sheet as provided in Schedule A of the return but only if the gross value of the assets of such parent or such affiliate is \$28,000 or more.

5. In all cases where item 1, 2, 3, or 10 includes money or property amounting to \$5,000 or more, which was received directly or indirectly from one person, in one or more transactions during the year, itemized schedules showing the total amount received from and the name and address of each such person shall be attached to this return. (The term "person" includes individuals, fiduciaries, partnerships, corporations, associations, and other organizations.) Receipts by a "central" organization from organizations included in a group return need not be itemized in the "central" organization's separate return.

6. If the total of income items 6 and 7 is not more than \$5,000, amounts includible in item 12 through item 19 may be entered under item 21 through item 26 under the appropriate headings. Where sections "A" and "B" must both be completed, items of expense may be divided between these sections on the basis of accounting records, or, if such records do not provide for this division, any items of expense which do not fall wholly under either of these sections may be divided on any reasonable basis, such as an approximation of the use of a facility or the time spent by an individual.

7. If item 34 does not equal item 11, attach a schedule accounting for the difference.

8. The balance sheets, Schedule A, should agree with the books of account or any differences should be reconciled. All organizations reporting to any national, State, municipal, or other public officer may submit, in lieu of Schedule A, copies of their balance sheets prescribed by any such authority as at the beginning and end of the taxable year.

9. In all cases where line 6, Schedule A, includes 10 percent or more of any class of stock of any corporation, attach a list showing the name of the corporation, the number of shares of each type of stock owned (including information indicating whether the stock is voting or nonvoting), and the book value of the stock included in line 6.

10. For further information see regulations under sections 84 (f) and 101 of the Internal Revenue Code.

EXHIBIT No. 112B

Form 990
U. S. TREASURY DEPARTMENT
American Taxpayers Federation
(Revised March 1961)

Page 1

UNITED STATES

RETURN OF ORGANIZATION EXEMPT FROM TAX UNDER SECTION 101 OF THE INTERNAL REVENUE CODE (EXCEPT UNDER SUBSECTION 6)

(As required under Section 54 (f) of the Internal Revenue Code)

For Calendar Year

or Fiscal Year Beginning, and Ending

<p>This return must be filed on or before the 15th day of the 6th month following the close of the annual accounting period. Returns must be filed with the Collector of Internal Revenue for the district in which is located the principal place of business or principal office of the organization.</p>	PRINT PLAINLY LEGAL NAME AND ADDRESS OF THE ORGANIZATION		Serial No.
	(Give name in full)		District
	(Street and number)		(Date Received)
	(City or town)	(Postal zone number)	(State)
<p>Date of Bureau exemption letter and subsection of section 101 under which you are exempt:</p>			

- State nature of activities
- Have you filed a tax return on Form 990-T for this year?
(Applicable only to years beginning after Dec. 31, 1960)
— (Yes or No) — If so, where filed?
Unrelated business gross income reported, \$
- What is the legal form of your organization (corporation, trust, unincorporated association, etc.)?
- In what year was your organization formed? ..
In what State or country?
- If you are successor to previously existing organization(s), give name(s) and address(es) of the predecessor organization(s)
- If you have capital stock issued and outstanding, state with respect to each class of stock (a) the number of shares outstanding, (b) the number of shares held by individuals, (c) the number of shares held by organizations, (d) the number of shareholders at end of year, and (e) whether any dividends may be paid
- Have any changes not previously reported to the Bureau been made in your articles of incorporation or bylaws or other instruments of similar import? (Yes or No) If so, attach a copy of the amendments.
- Have you had any sources of income or engaged in any activities which have not previously been reported to the Bureau? (Yes or No) If so, attach detailed statement.
- If you were held exempt under section 101(4), state the total amount of mortgage loans made during the year to (a) members, \$.....; (b) nonmembers, \$.....
- Did you lease or rent any real property to or from a person or groups of persons directly associated with you? (Yes or No)
If so, attach a detailed statement.
- Did you hold any real property for rental purposes on which there is an indebtedness incurred in acquiring the property or in making improvements thereto? (Yes or No)
If so, attach detailed statement.
- Farmers' cooperative marketing and purchasing organizations shall also state —
 - Number of shares of voting stock owned by
 - producers
 - nonproducers
 - Were nonmembers charged the same as members for marketing and purchasing? (Yes or No)
 - Were patronage dividends paid to nonmembers on the same basis as to members? (Yes or No)
 - Value of agricultural products marketed (or handled) for members (1) actually produced by such members, \$.....; (2) purchased or otherwise acquired by such members, \$.....; for nonmembers (1) actually produced by such nonmembers, \$.....; (2) purchased or otherwise acquired by such nonmembers, \$.....
 - Value of supplies and equipment purchased for or sold to (1) members, \$.....; (2) nonmembers who were producers, \$.....; (3) nonmembers who were not producers, \$.....
 - Amount of business done for United States Government or agencies thereof, \$.....

10-50000-6

P. 1

EXHIBIT No. 112B—Continued

Form No.

INCOME, DUES, CONTRIBUTIONS, ETC.

Page 2

1. Dues, assessments, etc., from members, excluding service and other charges properly included under item 7 (see Instruction 5) \$
2. Dues, assessments, etc., from affiliated organizations (see Instruction 5)
3. Contributions, gifts, grants, etc., received (see Instruction 5)
4. Interest
5. Dividends
6. Rents
7. Gross receipts from business activities (state nature):

(a)	\$	
(b)		
(c)		
(d)		
8. Patronage dividends (or patronage refunds) received
9. Gain (or loss) from sale of assets, excluding inventory items (see Instruction 10)
10. Other income of more than 10 percent of item 11, attach itemized schedule. Also see Instruction 5)
11. Total of items 1 to 10, inclusive \$

DISPOSITION OF INCOME, DUES, CONTRIBUTIONS, ETC.

A. Expenses attributable to income items 6 and 7. See Instruction 6:

12. Cost of goods sold (or, in the case of farmers' cooperatives, purchases for or advances to patrons) \$
13. Compensation of officers, directors, trustees, etc.
14. Wages, salaries, and commissions (other than compensation of officers, directors, trustees, etc.)
15. Interest
16. Taxes (such as property, income, social security, unemployment taxes, etc.)
17. Rent
18. Depreciation (and depletion)
19. Miscellaneous expenses (state nature):

(a)	\$	
(b)		
(c)		
(d)		

B. Other expenses:

20. Dues, assessments, etc., to affiliated organizations
21. Compensation of officers, directors, trustees, etc. (not included under item 13)
22. Wages, salaries, and commissions (not included under item 14)
23. Interest (not included under item 15)
24. Taxes (not included under item 16)
25. Rent (not included under item 17)
26. Miscellaneous expenses not elsewhere classified (state nature):

(a)	\$	
(b)		
(c)		
(d)		

C. Contributions:

27. Contributions, gifts, grants, etc., paid (state to whom paid):

(a)	\$	
(b)		
(c)		
(d)		

D. Other dispositions:

28. Benefit payments to or for members or their dependents:
 - (a) Death, sickness, hospitalization, disability, or pension benefits
 - (b) Other benefits
29. Dividends (other than patronage dividends) and other distributions to members, shareholders, or depositors
30. Cash patronage dividends (or patronage refunds) (for farmers' cooperatives only)
31. Patronage dividends (or patronage refunds) in stock, notes, credits, or other evidence of equity or indebtedness (for farmers' cooperatives only)
32. Additions to reserves (attach itemized schedule)
33. Additions to surplus
34. Total of items 12 to 33, inclusive (see Instruction 7) \$

EXHIBIT No. 112B—Continued

Schedule A—BALANCE SHEETS (See Instruction 8)

Page 3

ASSETS	BEGINNING OF YEAR		END OF YEAR	
	Amount	Total	Amount	Total
1. Cash		\$ 22 72		\$ 22 72
2. Notes and accounts receivable	\$ 12,772 00		\$	
Less: Reserve for bad debts				
3. Inventories				
4. Investments in governmental obligations				
5. Investments in nongovernmental bonds, etc.				
6. Investments in corporate stocks (see Instruction 9)				
7. Other investments (itemize)	\$		\$	
8. Capital assets:				
(a) Depreciable (and depletable) assets (attach itemized schedule)	\$ 5,221 00		\$ 5,221 00	
Less: Reserve for depreciation (and depletion)	\$ 7,533 52		\$ 12,452 52	
(b) Land				23 50
9. Other assets (itemize)	\$		\$	
10. TOTAL ASSETS		\$ 20,782 72		\$ 23,438 02
LIABILITIES				
11. Accounts payable		\$		\$
12. Bonds, notes, and mortgages payable:				
(a) With original maturity of less than 1 year	\$		\$	
(b) With original maturity of 1 year or more	\$ 8,552 00		\$	
13. Other liabilities (itemize)	\$		\$	
14. TOTAL LIABILITIES		\$ 8,552 00		\$ 8,552 00
NET WORTH				
15. Capital Stock:				
(a) Preferred Stock	\$		\$	
(b) Common Stock				
16. Membership certificates				
17. Paid-in or capital surplus or donated capital if a trust				
18. Surplus reserves (itemize)	\$		\$	
19. Earned surplus and undivided profits				
20. TOTAL NET WORTH		\$		\$
21. TOTAL LIABILITIES AND NET WORTH		\$		\$

We, the undersigned, president (or vice president, or other principal officer, and treasurer (or assistant treasurer, or chief accounting officer) of the organization for or by which this return is made, each for himself declares under the penalties of perjury that this return has been examined by him and is to the best of his knowledge and belief a true, correct, and complete return.

[CORPORATE SEAL] (President or other principal officer) (State title) (Date) (Treasurer, Assistant Treasurer, or Chief Accounting Officer) (State title) (Date)

The following additional declaration shall be executed by the person other than an officer or employee of the organization actually preparing this return:

I declare under the penalty of perjury that I prepared this return for the organization(s) named herein and that this return is to the best of my knowledge and belief a true, correct, and complete return.

(Name of firm or employee, if any)

(Signature of person preparing this return)

(Date)

(Print name)

EXHIBIT No. 112C

Form 990
U. S. TREASURY DEPARTMENT
INTERNAL REVENUE SERVICE
(Revised October 1952)

Page 1

UNITED STATES

RETURN OF ORGANIZATION EXEMPT FROM TAX UNDER SECTION 101 OF THE INTERNAL REVENUE CODE (EXCEPT UNDER SUBSECTIONS (6) AND (12))

(As required under Section 54 (f) of the Internal Revenue Code)

For Calendar Year 1954

or Fiscal Year Beginning

and Ending

This return must be filed on or before the 15th day of the 5th month following the close of the annual accounting period. Return must be filed with the Director of Internal Revenue for the district in which is located the principal place of business or principal office of the organization.

PRINT PLAINLY LEGAL NAME AND ADDRESS OF THE ORGANIZATION

UNITED LABOR BUREAU ASSOCIATION
(Give name in full)
202 DENTON ST
Street and number
SCOTTIE (City or town) 9 (Post office number) 14457 (State)

Serial No.

District

(Date Received)

Date of Bureau exemption letter and subsection of section 101 under which you are exempt: June 12, 1944 (1)

1 State nature of activities *RECEIVABLE OF
BUREAU OF LABOR ASSOCIATION*

2 Have you filed a tax return on Form 990-T for this year?
(Yes or No) If so, where filed?

Unrelated business gross income reported, \$

3 What is the legal form of your organization (corporation, trust, unincorporated association, etc.)?

4 To what year was your organization formed? 1933
In what State or country? *WISCONSIN*

5 Accounting method used:
☒ Cash or ☐ Accrual

6 If exempt under section 101 (14) state name and address of organization for which you hold title to property

7 If you are successor to previously existing organization(s), give name(s) and address(es) of the predecessor organization(s)

8 If you have capital stock issued and outstanding, state with respect to each class of stock (a) the number of shares outstanding, (b) the number of shares held by individuals, (c) the number of shares held by organizations, (d) the number of shareholders at end of year, and (e) whether any dividends may be paid

9 Have any changes not previously reported to the Bureau been made in your articles of incorporation or bylaws or other instruments of similar import? If so, attach a copy of the amendments. (Yes or No)

10 Have you had any sources of income or engaged in any activities which have not previously been reported to the Bureau? If so, attach detailed statement. (Yes or No)

11 If you were held exempt under section 101(1), state the total amount of mortgage loans made during the year to (a) members, \$ (b) nonmembers, \$

12 Did you lease or rent any real property to or from a person or groups of persons directly associated with you? If so, attach a detailed statement. (Yes or No)

13 Did you hold any real property for rental purposes on which there is an indebtedness incurred in acquiring the property or in making improvements thereto? If so, attach detailed statement. (Yes or No)

EXHIBIT No. 112C—Continued

INCOME, DUES, CONTRIBUTIONS, ETC.

Page 3

1. Dues, assessments, etc., from members, excluding service and other charges properly included under item 7 (see instruction 5)		
2. Dues, assessments, etc., from affiliated organizations (see instruction 5)		
3. Contributions, gifts, grants, etc., received (see instruction 5)		
4. Interest		14 84
5. Dividends		
6. Rents		108776 80
7. Gross receipts from business activities (state nature):		
(a)		
(b)		
(c)		
(d)		
8. Gain (or loss) from sale of assets, excluding inventory items (see instruction 9)		
9. Other income (if more than 10 percent of item 10, attach itemized schedule. Also see instruction 5)		
10. Total of items 1 to 9, inclusive		32224 00
DISPOSITION OF INCOME, DUES, CONTRIBUTIONS, ETC.		
A. Expenses attributable to income items 6 and 7 (see instruction 6):		
11. Cost of goods sold		
12. Compensation of officers, directors, trustees, etc.		
13. Wages, salaries, and commissions (other than compensation of officers, directors, trustees, etc.)		2622 55
14. Interest		172 12
15. Taxes (such as property, income, social security, unemployment taxes, etc.)		5355 03
16. Rent		1118 40
17. Depreciation (and depletion)		
18. Miscellaneous expenses (state nature):		
(a) <u>BOAT EQUIPMENT, SUPPLIES, SERVICES & REPAIRS</u>	15084 37	
(b) <u>FUEL, LIGHT, HEAT & WATER</u>	8100 17	
(c) <u>MISC. & RENT PARKING LOT</u>	5420 00	
(d) <u>BOAT. PAYMENTS, ALTERATIONS, IMPROVEMENTS</u>	20828 80	
B. Other expenses:		
19. Dues, assessments, etc., to affiliated organizations		
20. Compensation of officers, directors, trustees, etc. (not included under item 12)		
21. Wages, salaries, and commissions (not included under item 13)		
22. Interest (not included under item 14)		
23. Taxes (not included under item 15)		
24. Rent (not included under item 16)		
25. Miscellaneous expenses not elsewhere classified (state nature):		
(a) <u>LOAN PAYMENTS</u>	15021 00	
(b) <u>TRAVEL EXP.</u>	155 00	
(c)		
(d)		
C. Contributions:		
26. Contributions, gifts, grants, etc., paid (state to whom paid):		
(a)		
(b)		
(c)		
(d)		
D. Other dispositions:		
27. Benefit payments to or for members or their dependents:		
(a) Death, sickness, hospitalization, disability, or pension benefits		2308 90
(b) Other benefits		
28. Dividends and other distributions to members, shareholders, or depositors		
29. Additions to reserves (attach itemized schedule)		
30. Additions to surplus		
31. Total of items 11 to 30, inclusive (see instruction 7)		1655371 85

EXHIBIT No. 112C—Continued

Schedule A.—BALANCE SHEETS (See Instruction 8)

Page 3

ASSETS	BEGINNING OF YEAR		END OF YEAR	
	Amount	Total	Amount	Total
1. Cash		\$3927 66		\$10211 47
2. Notes and accounts receivable	\$14034 42		\$10811 17	
Less: Reserve for bad debts		14034 42		10811 17
3. Inventories				
4. Investments in governmental obligations				
5. Investments in nongovernmental bonds, etc.				
6. Investments in corporate stocks (see Instruction 9)				
7. Other investments (itemize)	\$		\$	
8. Capital assets:				
(a) Depreciable (and depletable) assets (attach itemized schedule)	\$49089 44		\$49089 44	
Less: Reserve for depreciation (and depletion)	124357 50	244731 94	139539 79	264540 65
(b) Land		23680 00		23680 00
9. Other assets (itemize)	\$		\$	
10. TOTAL ASSETS		244731 94		264540 65
LIABILITIES				
11. Accounts payable		\$		\$
12. Bonds, notes, and mortgages payable:				
(a) With original maturity of less than 1 year	\$		\$	
(b) With original maturity of 1 year or more	133449 00		171002 22	
13. Other liabilities (itemize)	\$		\$	
14. TOTAL LIABILITIES		133449 00		171002 22
NET WORTH				
15. Capital Stock:				
(a) Preferred Stock	\$		\$	
(b) Common Stock				
16. Membership certificates				
17. Paid-in or capital surplus (or donated capital if a trust)				
18. Surplus reserves (itemize)	\$		\$	
19. Earned surplus and undivided profits				
20. TOTAL NET WORTH		\$		\$
21. TOTAL LIABILITIES AND NET WORTH		\$		\$

We, the undersigned, president (or vice president, or other principal officer) and treasurer (or assistant treasurer, or chief accounting officer) of the organization for or by which this return is made, each for himself declares under the penalties of perjury that this return has been examined by him and is to the best of his knowledge and belief a true, correct, and complete return.

[CORPORATE] (President or other principal officer) (State title) (Date) (Treasurer, Assistant Treasurer, or Chief Accounting Officer) (State title) (Date)

The following additional declaration shall be executed by the person other than an officer or employee of the organization actually preparing this return:

I declare under the penalties of perjury that I prepared this return for the organization(s) named herein and that this return is to the best of my knowledge and belief a true, correct, and complete return.

Union Council Blog Assn

(Name of firm or employer, if any)

(Signature of person preparing this return)

(Date)

16-55555-6

Form 990
U. S. TREASURY DEPARTMENT
INTERNAL REVENUE SERVICE
(Revised Jan. 1966)

Page 1

RETURN OF ORGANIZATION EXEMPT FROM TAX UNDER SECTION 101 OF THE
INTERNAL REVENUE CODE (EXCEPT UNDER SUBSECTIONS (6) AND (12))

(As required under Section 54 (f) of the Internal Revenue Code)

For Calendar Year _____

or Fiscal Year Beginning

and Engine

PRINT PLAINLY LEGAL NAME AND ADDRESS OF THE ORGANIZATION

Serial No.

District

Data Reported

This return must be filed on or before the 15th day of the 5th month following the close of the annual accounting period. Returns must be filed with the District Director of Internal Revenue for the district in which to located the principal place of business or principal office of the corporation.

PRINT PLAINLY LEGAL NAME AND ADDRESS OF THE ORIGINATOR

JOHN LOUPE - BROS. F. - N
1135 PARK ST.
530 DEAN ST.
ST. LOUIS, MO.
1135 PARK ST.
ST. LOUIS, MO.

Date of exemption letter and subsection of section 101 under which you are exempted 445 12, 142, 143

1. State nature of activities. *1. ANALYTICAL*
2. RESEARCH

- 2. Have you filed a tax return on Form 990-ET for this year?**

10 If so, where filed?

Unrelated business gross income reported, \$

3. What is the legal form of your organization (corporation, trust, unincorporated association, etc.)?

CONVARIANT 214

4. In what year was your organisation formed? 1922

In what State or country? 144124 - Q - 14

5. Accounting method used:

☒ Cash or ☐ Accrual

6. If exempt under section 101 (14) state name and address of organization for which you hold title to property.

7. If you are successor to previously existing organization(s), give name(s) and address(es) of the predecessor organization(s) _____

- 8 If you have capital stock issued and outstanding state with respect to each class of stock: (a) the number of shares outstanding; (b) the number of shares held by individuals; (c) the number of shares held by organizations; (d) the number of shareholders at end of year; and (e) whether any dividends may be paid.

- 9 Have any changes not previously reported to the National Office been made in your articles of incorporation or by-laws or other instruments of similar import? ☒ Yes ☐ No
If so, attach a copy of the amendments in duplicate.

- 10 Have you had any source of income or engaged in any activities which have not previously been reported to the National Office? ☒ Yes ☐ No If so, attach detailed statement in duplicate

- 11 If you were held exempt under section 101(f), state the total amount of mortgage loans made during the year to
- (a) members, \$ _____;
- (b) nonmembers, \$ _____.

12. Did you lease or rent any real property to or from a person or groups of persons directly associated with you? (Yes or No)
If so, attach a detailed statement in duplicate.

- 13 Did you hold any real property for rental purposes on which there is an indebtedness incurred in acquiring the property or in making improvements thereto? If so, attach detailed statement in duplicate. (Yes or No)

EXHIBIT No. 112D—Continued

Form No.

INCOME, DUES, CONTRIBUTIONS, ETC.

Page 3

1. Dues, assessments, etc., from members, excluding service and other charges properly included under item 7 (see Instruction 5)	\$	
2. Dues, assessments, etc., from affiliated organizations (see Instruction 5)	\$	
3. Contributions, gifts, grants, etc., received (see Instruction 5)	\$	
4. Interest	\$	211.71
5. Dividends	\$	
6. Rents	\$	123567.15
7. Gross receipts from business activities (state nature):	\$	
(a)	\$	
(b)	\$	
(c)	\$	
(d)	\$	
8. Gain (or loss) from sale of assets, excluding inventory items (see Instruction 9)	\$	
9. Other income (if more than 10 percent of item 10, attach itemized schedule. Also see Instruction 5)	\$	
10. Total of items 1 to 9, inclusive	\$	103778.86
DISPOSITION OF INCOME, DUES, CONTRIBUTIONS, ETC.		
A. Expenses attributable to income items 6 and 7 (see Instruction 6):		
11. Cost of goods sold	\$	
12. Compensation of officers, directors, trustees, etc. (attach statement showing name, position, salary, and time devoted to position)	\$	
13. Wages, salaries, and commissions (other than compensation of officers, directors, trustees, etc.)	\$	46995.20
14. Interest	\$	
15. Taxes (such as property, income, social security, unemployment taxes, etc.)	\$	5697.22
16. Rent	\$	1228.40
17. Depreciation (and depletion)	\$	
18. Miscellaneous expenses (state nature):	\$	
(a) <i>Buss. Equip., Supplies and Services</i>	\$	12255.90
(b) <i>FUEL, LIGHTS, HEAT & WATER</i>	\$	8018.37
(c)	\$	
(d) <i>PHONE, IMPROVEMENTS, ALTERATIONS, REPAIRS</i>	\$	2150.40
B. Other expenses:	\$	22432.69
19. Dues, assessments, etc., to affiliated organizations	\$	
20. Compensation of officers, directors, trustees, etc. (not included under item 12) (attach statement showing name, position, salary, and time devoted to position)	\$	
21. Wages, salaries, and commissions (not included under item 13)	\$	
22. Interest (not included under item 14)	\$	
23. Taxes (not included under item 15)	\$	
24. Rent (not included under item 16)	\$	
25. Miscellaneous expenses not elsewhere classified (state nature):	\$	
(a) <i>6.2000</i>	\$	22.20
(b) <i>11.00</i>	\$	2188.73
(c)	\$	
(d)	\$	
C. Contributions:	\$	2188.73
26. Contributions, gifts, grants, etc., paid (state to whom paid):	\$	
(a)	\$	
(b)	\$	
(c)	\$	
(d)	\$	
D. Other dispositions:	\$	
27. Benefit payments to or for members or their dependents:	\$	
(a) Death, sickness, hospitalization, disability, or pension benefits	\$	79.00
(b) Other benefits	\$	
28. Dividends and other distributions to members, shareholders, or depositors	\$	
29. Additions to reserves (attach itemized schedule)	\$	
30. Additions to surplus	\$	
31. Total of items 11 to 30, inclusive (see Instruction 7)	\$	81324.76

EXHIBIT No. 112D—Continued

Schedule A—BALANCE SHEETS (See Instruction 6)

Page 3

ASSETS	Beginning of Year		End of Year	
	Amount	Total	Amount	Total
1. Cash		\$12,211.47		\$28,084.58
2. Notes and accounts receivable	\$108.11	17	\$7,422.82	
Less: Reserve for bad debts		128.11		7,422.82
3. Inventories				
4. Investments in governmental obligations				
5. Investments in nongovernmental bonds, etc.				
6. Investments in corporate stocks (see Instruction 9)				
7. Other investments (itemize)	\$		\$	
8. Capital assets:				
(a) Depreciable (and depletable) assets (attach itemized schedule)	\$408,052.44		\$408,052.44	
Less: Reserve for depreciation (and depletion)	131,537.71	269,514.73	53,972.03	255,117.36
(b) Land		23,629.00		23,629.00
9. Other assets (itemize)	\$		\$	
10. TOTAL ASSETS		\$314,227.21		\$644,224.83
LIABILITIES				
11. Accounts payable		\$		\$
12. Bonds, notes, and mortgages payable:				
(a) With original maturity of less than 1 year	\$		\$	
(b) With original maturity of 1 year or more	171,000		168,000	
13. Other liabilities (itemize)	\$		\$	
14. TOTAL LIABILITIES		\$171,000.00		\$168,000.00
NET WORTH				
15. Capital Stock:				
(a) Preferred Stock	\$		\$	
(b) Common Stock				
16. Membership certificates				
17. Paid-in or capital surplus (or donated capital if a trust)				
18. Surplus reserves (itemize)	\$		\$	
19. Earned surplus and undivided profits				
20. TOTAL NET WORTH		\$		\$
21. TOTAL LIABILITIES AND NET WORTH		\$		\$

DECLARATION. (See Instruction 11)

We, the undersigned, president (or vice president, or other principal officer) and treasurer (or assistant treasurer, or chief accounting officer) of the organization for or by which this return is made, each for himself declares under the penalties of perjury that this return (including any accompanying schedules and statements) has been examined by him and is, to the best of his knowledge and belief, a true, correct, and complete return.

(Signature of president, vice president, or other principal officer) (State title)

(Signature of treasurer, assistant treasurer, or chief accounting officer) (State title)

CORPORATE
SEAL

DECLARATION. (See Instruction 11)

I/we declare under the penalties of perjury that I/we prepared this return for the organization named herein and that this return (including any accompanying schedules and statements) is to the best of my knowledge and belief a true, correct, and complete return.

(Signature of person preparing the return) (Signature of person preparing the return) (Name of firm or employer, if any) (Date)

10-30005-7

EXHIBIT No. 112E

FORM 990 (Rev. Dec. 1964)	U. S. Treasury Department—Internal Revenue Service RETURN OF ORGANIZATION DESCRIBED IN SECTION 501 (c) [OTHER THAN SUBSECTION 3] EXEMPT FROM TAX UNDER SECTION 501 (a) OF THE INTERNAL REVENUE CODE OF 1954 (As Required Under Section 6060 (a) of the Code)	DO NOT WRITE IN SPACE BELOW
This return must be filed on or before the 15th day of the 9th month following the close of the annual accounting period. Return must be filed with the District Director of Internal Revenue for the district in which is located the principal place of business or principal office of the organization.	FOR CALENDAR YEAR 1954 or other taxable year beginning , 19 , and ending , 19	Serial No.
	PLEASE TYPE OR PRINT PLAINLY	
	Legal name of organization JOINT COUNCIL 20 PLUMBERS	
	Address (number, street, city, State, ZIP) 551 Denny Way, Seattle 9, WASH City or town, postal name, number, State Seattle, Washington 9800	
Date of organization (city, and subdivision of section 501 (a) under which you have qualified for exemption) Mar. June 12, 1944 (1)		

<p>1. State nature of activities Maintenance of Building, housing Labor Union Organizations</p> <p>2. Have you filed a tax return on Form 990-T for this year? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If "Yes," where filed _____ Unrelated business gross income reported \$ _____</p> <p>3. What is the legal form of your organization (corporation, trust, unincorporated association, etc.)? Corporation</p> <p>4. In what year was your organization formed? 1933 In what State or country? Washington</p> <p>5. Accounting method used <input checked="" type="checkbox"/> Cash <input type="checkbox"/> Accrual <input type="checkbox"/> Other If other method used, explain _____</p> <p>6. If exempt as described in section 501 (c) (2) state name and address of organization for which you had title to property _____</p> <p>7. If you are successor to previously existing organization(s), give name(s) and address(es) of the predecessor organization(s) _____</p> <p>8. The books are in care of Joint Council 20 Building Association Located at 551 Denny Way, Seattle, Wash.</p>	<p>9. Do you have capital stock issued and outstanding? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If "Yes," complete the following:</p> <table border="1" style="width: 100%; border-collapse: collapse; font-size: small;"> <thead> <tr> <th>ITEMS</th> <th>PREFERRED STOCK</th> <th>COMMON STOCK</th> <th>OTHER (NAME)</th> </tr> </thead> <tbody> <tr> <td>a. Number of shares outstanding</td> <td></td> <td></td> <td></td> </tr> <tr> <td>(1) Held by individuals</td> <td></td> <td></td> <td></td> </tr> <tr> <td>(2) Held by organizations</td> <td></td> <td></td> <td></td> </tr> <tr> <td>Total shares outstanding</td> <td></td> <td></td> <td></td> </tr> </tbody> </table> <p>b. Number stockholders at end of year _____</p> <p>(1) Dividend requirements</p> <p>(a) Preferred stock _____</p> <p>(b) Common stock _____</p> <p>(c) Other _____</p> <p>10. Have any changes not previously reported to the Internal Revenue Service been made to your articles of incorporation or bylaws or other instruments of similar import? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If "Yes," attach a copy of the amendments in duplicate.</p> <p>11. Have you had any sources of income or engaged in any activities which have not previously been reported to the Internal Revenue Service? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If "Yes," attach detailed statement in duplicate.</p> <p>12. If you are the type of organization described in section 501 (a) (7) show gross receipts and other income on page 2, lines 7 or 9 attributable to—</p> <p>a. Members and their guests \$ _____</p> <p>b. Others \$ _____</p> <p>13. Did you lease or rent any real property to or from a person or group of persons directly associated with you? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If "Yes," attach detailed statement in duplicate.</p> <p>14. Did you hold any real property for rental purposes on which there is an indebtedness incurred in acquiring the property or in making improvements thereto? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If "Yes," attach detailed statement in duplicate.</p>	ITEMS	PREFERRED STOCK	COMMON STOCK	OTHER (NAME)	a. Number of shares outstanding				(1) Held by individuals				(2) Held by organizations				Total shares outstanding			
ITEMS	PREFERRED STOCK	COMMON STOCK	OTHER (NAME)																		
a. Number of shares outstanding																					
(1) Held by individuals																					
(2) Held by organizations																					
Total shares outstanding																					

EXHIBIT No. 112E—Continued

Form No. 104		INCOME, DUES, CONTRIBUTIONS, ETC.	
1.	Dues, assessments, etc., from fraternal and similar organizations (see instruction 8)		
2.	Dues, assessments, etc., from labor organizations		
3.	Contributions, gifts, or grants received from		54
4.	Interest		
5.	Dividends		1,421
6.	Rent		
7.	Unemployment benefits received (State to whom paid)		
8.	Other income		
9.	Total income from sources other than wages or salaries		1,475
10.	Total income		1,475
DISPOSITION OF INCOME, DUES, CONTRIBUTIONS, ETC.			
A. Expenses attributable to income items (Part 1) (see instruction 1)			
11.	Wages or salaries		
12.	Expenses for travel, meals, and lodging (Attach statement showing dates, places, and time devoted to position)		431.83
13.	Expenses for transportation (This includes travel expenses for position)		
14.	Expenses for telephone		64.03
15.	Expenses for postage and telegrams		
16.	Expenses for laundry		114.38
17.	Expenses for other expenses		
18.	Total expenses (State nature)		
19.	Other expenses		
20.	Dues, assessments, etc., from fraternal and similar organizations (see instruction 8)		
21.	Dues, assessments, etc., from labor organizations		
22.	Contributions, gifts, or grants received from		
23.	Interest		
24.	Dividends		
25.	Rent		
26.	Unemployment benefits received (State to whom paid)		
27.	Other income		
28.	Total income		
29.	Expenses for travel, meals, and lodging (Attach statement showing dates, places, and time devoted to position)		
30.	Expenses for transportation (This includes travel expenses for position)		
31.	Expenses for telephone		
32.	Expenses for postage and telegrams		
33.	Expenses for laundry		
34.	Expenses for other expenses		
35.	Total expenses (State nature)		
36.	Other expenses		
37.	Dues, assessments, etc., from fraternal and similar organizations (see instruction 8)		
38.	Dues, assessments, etc., from labor organizations		
39.	Contributions, gifts, or grants received from		
40.	Interest		
41.	Dividends		
42.	Rent		
43.	Unemployment benefits received (State to whom paid)		
44.	Other income		
45.	Total income		
46.	Expenses for travel, meals, and lodging (Attach statement showing dates, places, and time devoted to position)		
47.	Expenses for transportation (This includes travel expenses for position)		
48.	Expenses for telephone		
49.	Expenses for postage and telegrams		
50.	Expenses for laundry		
51.	Expenses for other expenses		
52.	Total expenses (State nature)		
53.	Other expenses		
54.	Dues, assessments, etc., from fraternal and similar organizations (see instruction 8)		
55.	Dues, assessments, etc., from labor organizations		
56.	Contributions, gifts, or grants received from		
57.	Interest		
58.	Dividends		
59.	Rent		
60.	Unemployment benefits received (State to whom paid)		
61.	Other income		
62.	Total income		
63.	Expenses for travel, meals, and lodging (Attach statement showing dates, places, and time devoted to position)		
64.	Expenses for transportation (This includes travel expenses for position)		
65.	Expenses for telephone		
66.	Expenses for postage and telegrams		
67.	Expenses for laundry		
68.	Expenses for other expenses		
69.	Total expenses (State nature)		
70.	Other expenses		
71.	Dues, assessments, etc., from fraternal and similar organizations (see instruction 8)		
72.	Dues, assessments, etc., from labor organizations		
73.	Contributions, gifts, or grants received from		
74.	Interest		
75.	Dividends		
76.	Rent		
77.	Unemployment benefits received (State to whom paid)		
78.	Other income		
79.	Total income		
80.	Expenses for travel, meals, and lodging (Attach statement showing dates, places, and time devoted to position)		
81.	Expenses for transportation (This includes travel expenses for position)		
82.	Expenses for telephone		
83.	Expenses for postage and telegrams		
84.	Expenses for laundry		
85.	Expenses for other expenses		
86.	Total expenses (State nature)		
87.	Other expenses		
88.	Dues, assessments, etc., from fraternal and similar organizations (see instruction 8)		
89.	Dues, assessments, etc., from labor organizations		
90.	Contributions, gifts, or grants received from		
91.	Interest		
92.	Dividends		
93.	Rent		
94.	Unemployment benefits received (State to whom paid)		
95.	Other income		
96.	Total income		
97.	Expenses for travel, meals, and lodging (Attach statement showing dates, places, and time devoted to position)		
98.	Expenses for transportation (This includes travel expenses for position)		
99.	Expenses for telephone		
100.	Expenses for postage and telegrams		
101.	Expenses for laundry		
102.	Expenses for other expenses		
103.	Total expenses (State nature)		
104.	Other expenses		
105.	Dues, assessments, etc., from fraternal and similar organizations (see instruction 8)		
106.	Dues, assessments, etc., from labor organizations		
107.	Contributions, gifts, or grants received from		
108.	Interest		
109.	Dividends		
110.	Rent		
111.	Unemployment benefits received (State to whom paid)		
112.	Other income		
113.	Total income		
114.	Expenses for travel, meals, and lodging (Attach statement showing dates, places, and time devoted to position)		
115.	Expenses for transportation (This includes travel expenses for position)		
116.	Expenses for telephone		
117.	Expenses for postage and telegrams		
118.	Expenses for laundry		
119.	Expenses for other expenses		
120.	Total expenses (State nature)		
121.	Other expenses		
122.	Dues, assessments, etc., from fraternal and similar organizations (see instruction 8)		
123.	Dues, assessments, etc., from labor organizations		
124.	Contributions, gifts, or grants received from		
125.	Interest		
126.	Dividends		
127.	Rent		
128.	Unemployment benefits received (State to whom paid)		
129.	Other income		
130.	Total income		
131.	Expenses for travel, meals, and lodging (Attach statement showing dates, places, and time devoted to position)		
132.	Expenses for transportation (This includes travel expenses for position)		
133.	Expenses for telephone		
134.	Expenses for postage and telegrams		
135.	Expenses for laundry		
136.	Expenses for other expenses		
137.	Total expenses (State nature)		
138.	Other expenses		
139.	Dues, assessments, etc., from fraternal and similar organizations (see instruction 8)		
140.	Dues, assessments, etc., from labor organizations		
141.	Contributions, gifts, or grants received from		
142.	Interest		
143.	Dividends		
144.	Rent		
145.	Unemployment benefits received (State to whom paid)		
146.	Other income		
147.	Total income		
148.	Expenses for travel, meals, and lodging (Attach statement showing dates, places, and time devoted to position)		
149.	Expenses for transportation (This includes travel expenses for position)		
150.	Expenses for telephone		
151.	Expenses for postage and telegrams		
152.	Expenses for laundry		
153.	Expenses for other expenses		
154.	Total expenses (State nature)		
155.	Other expenses		
156.	Dues, assessments, etc., from fraternal and similar organizations (see instruction 8)		
157.	Dues, assessments, etc., from labor organizations		
158.	Contributions, gifts, or grants received from		
159.	Interest		
160.	Dividends		
161.	Rent		
162.	Unemployment benefits received (State to whom paid)		
163.	Other income		
164.	Total income		
165.	Expenses for travel, meals, and lodging (Attach statement showing dates, places, and time devoted to position)		
166.	Expenses for transportation (This includes travel expenses for position)		
167.	Expenses for telephone		
168.	Expenses for postage and telegrams		
169.	Expenses for laundry		
170.	Expenses for other expenses		
171.	Total expenses (State nature)		
172.	Other expenses		
173.	Dues, assessments, etc., from fraternal and similar organizations (see instruction 8)		
174.	Dues, assessments, etc., from labor organizations		
175.	Contributions, gifts, or grants received from		
176.	Interest		
177.	Dividends		
178.	Rent		
179.	Unemployment benefits received (State to whom paid)		
180.	Other income		
181.	Total income		
182.	Expenses for travel, meals, and lodging (Attach statement showing dates, places, and time devoted to position)		
183.	Expenses for transportation (This includes travel expenses for position)		
184.	Expenses for telephone		
185.	Expenses for postage and telegrams		
186.	Expenses for laundry		
187.	Expenses for other expenses		
188.	Total expenses (State nature)		
189.	Other expenses		
190.	Dues, assessments, etc., from fraternal and similar organizations (see instruction 8)		
191.	Dues, assessments, etc., from labor organizations		
192.	Contributions, gifts, or grants received from		
193.	Interest		
194.	Dividends		
195.	Rent		
196.	Unemployment benefits received (State to whom paid)		
197.	Other income		
198.	Total income		
199.	Expenses for travel, meals, and lodging (Attach statement showing dates, places, and time devoted to position)		
200.	Expenses for transportation (This includes travel expenses for position)		
201.	Expenses for telephone		
202.	Expenses for postage and telegrams		
203.	Expenses for laundry		
204.	Expenses for other expenses		
205.	Total expenses (State nature)		
206.	Other expenses		
207.	Dues, assessments, etc., from fraternal and similar organizations (see instruction 8)		
208.	Dues, assessments, etc., from labor organizations		
209.	Contributions, gifts, or grants received from		
210.	Interest		
211.	Dividends		
212.	Rent		
213.	Unemployment benefits received (State to whom paid)		
214.	Other income		
215.	Total income		
216.	Expenses for travel, meals, and lodging (Attach statement showing dates, places, and time devoted to position)		
217.	Expenses for transportation (This includes travel expenses for position)		
218.	Expenses for telephone		
219.	Expenses for postage and telegrams		
220.	Expenses for laundry		
221.	Expenses for other expenses		
222.	Total expenses (State nature)		
223.	Other expenses		
224.	Dues, assessments, etc., from fraternal and similar organizations (see instruction 8)		
225.	Dues, assessments, etc., from labor organizations		
226.	Contributions, gifts, or grants received from		
227.	Interest		
228.	Dividends		
229.	Rent		
230.	Unemployment benefits received (State to whom paid)		
231.	Other income		
232.	Total income		
233.	Expenses for travel, meals, and lodging (Attach statement showing dates, places, and time devoted to position)		
234.	Expenses for transportation (This includes travel expenses for position)		
235.	Expenses for telephone		
236.	Expenses for postage and telegrams		
237.	Expenses for laundry		
238.	Expenses for other expenses		
239.	Total expenses (State nature)		
240.	Other expenses		
241.	Dues, assessments, etc., from fraternal and similar organizations (see instruction 8)		
242.	Dues, assessments, etc., from labor organizations		
243.	Contributions, gifts, or grants received from		
244.	Interest		
245.	Dividends		
246.	Rent		
247.	Unemployment benefits received (State to whom paid)		
248.	Other income		
249.	Total income		
250.	Expenses for travel, meals, and lodging (Attach statement showing dates, places, and time devoted to position)		
251.	Expenses for transportation (This includes travel expenses for position)		
252.	Expenses for telephone		
253.	Expenses for postage and telegrams		
254.	Expenses for laundry		
255.	Expenses for other expenses		
256.	Total expenses (State nature)		
257.	Other expenses		
258.	Dues, assessments, etc., from fraternal and similar organizations (see instruction 8)		
259.	Dues, assessments, etc., from labor organizations		
260.	Contributions, gifts, or grants received from		
261.	Interest		
262.	Dividends		
263.	Rent		
264.	Unemployment benefits received (State to whom paid)		
265.	Other income		
266.	Total income		
267.	Expenses for travel, meals, and lodging (Attach statement showing dates, places, and time devoted to position)		
268.	Expenses for transportation (This includes travel expenses for position)		
269.	Expenses for telephone		
270.	Expenses for postage and telegrams		
271.	Expenses for laundry		
272.	Expenses for other expenses		
273.	Total expenses (State nature)		
274.	Other expenses		
275.	Dues, assessments, etc., from fraternal and similar organizations (see instruction 8)		
276.	Dues, assessments, etc., from labor organizations		
277.	Contributions, gifts, or grants received from		
278.	Interest		
279.	Dividends		
280.	Rent		
281.	Unemployment benefits received (State to whom paid)		
282.	Other income		
283.	Total income		
284.	Expenses for travel, meals, and lodging (Attach statement showing dates, places, and time devoted to position)		
285.	Expenses for transportation (This includes travel expenses for position)		
286.	Expenses for telephone		
287.	Expenses for postage and telegrams		
288.	Expenses for laundry		
289.	Expenses for other expenses		
290.	Total expenses (State nature)		
291.	Other expenses		
292.	Dues, assessments, etc., from fraternal and similar organizations (see instruction 8)		
293.	Dues, assessments, etc., from labor organizations		
294.	Contributions, gifts, or grants received from		
295.	Interest		
296.	Dividends		
297.	Rent		
298.	Unemployment benefits received (State to whom paid)		
299.	Other income		
300.	Total income		
301.	Expenses for travel, meals, and lodging (Attach statement showing dates, places, and time devoted to position)		
302.	Expenses for transportation (This includes travel expenses for position)		
303.	Expenses for telephone		
304.	Expenses for postage and telegrams		
305.	Expenses for laundry		
306.	Expenses for other expenses		
307.	Total expenses (State nature)		
308.	Other expenses		
309.	Dues, assessments, etc., from fraternal and similar organizations (see instruction 8)		
310.	Dues, assessments, etc., from labor organizations		
311.	Contributions, gifts, or grants received from		
312.	Interest		
313.	Dividends		
314.	Rent		
315.	Unemployment benefits received (State to whom paid)		
316.	Other income		
317.	Total income		

EXHIBIT No. 112E—Continued

Schedule A—BALANCE SHEETS (See Instruction 8.)

Page 3

ASSETS	Beginning of Year		End of Year	
	Amount	Per	Amount	Per
1. Cash	\$ 157,622.09	\$ 388,336	\$ 54,000.00	\$ 1,264.35
2. Notes and accounts receivable Less: Reserve for bad debts		257,622.99		5,000.00
3. Inventories				
4. Investments in governmental obligations				
5. Investments in non-governmental funds, etc.				
6. Investments in corporate stocks (See Instruction 9)				
7. Other investments (Itemize)				
8. Capital assets				
(a) Depreciable (and depletable) assets (Attach separate schedule)	\$ 40,908.94	\$ 251,173.36	\$ 40,908.94	\$ 2,400.45
Less: Reserve for depreciation (and depletion)	15,977.08	236,000.00	16,804.37	2,360.00
(b) Land				
9. Construction in Progress				\$ 11,257.70
Exceeds previous total by \$250,000 because of previously unrecorded Receivables.				
(b) With original maturity of 1 year or more			\$ 16,900.00	
12. Other liabilities (Itemize)				
14. Total liabilities		\$ 16,900.00		\$ 16,900.00
NET WORTH				
15. Capital Stock				
(a) Preferred Stock				
(b) Common Stock				
16. Membership certificates				
17. Paid-in or capital surplus (or donated capital if a trust)				
18. Surplus reserves (Itemize)				
19. Earned surplus and undivided profits				
20. Total net worth		\$ 30,876.43		\$ 1,810.75
21. Total liabilities and net worth		\$ 30,876.43		\$ 1,810.75

SIGNATURE AND VERIFICATION (See Instruction 11)

I, the undersigned, president, vice president, treasurer, assistant treasurer, chief accounting officer (or other duly authorized officer) of the organization for which this return is made, declare under the penalties of perjury that this return (including accompanying schedules and statements), has been examined by me and is, to the best of my knowledge and belief, a true, correct, and complete return made in good faith, for the taxable year stated, pursuant to the Internal Revenue Code and the regulations issued thereunder.

May 10, 1955

President

(Date)

F. W. Starnes (Signature of officer)

DATE

I declare under the penalties of perjury that I prepared this return for the person named herein and that I am not a partner, officer, or employee of any organization (other than the person named herein) which is liable for the payment of the tax, and that I am not a partner, officer, or employee of any organization which is liable for the payment of the tax, and that I am not a partner, officer, or employee of any organization which is liable for the payment of the tax.

(Date)

(Undersigned or firm signature)

(A. R. 112E-4)

10-112E-4

EXHIBIT No. 112F

FORM 990 (Rev. Nov. 1985)	U. S. Treasury Department—Internal Revenue Service RETURN OF ORGANIZATION DESCRIBED IN SECTION 501 (c) (OTHER THAN SUBSECTION 3) EXEMPT FROM TAX UNDER SECTION 501 (a) OF THE INTERNAL REVENUE CODE OF 1954 (As Required Under Section 6033 (a) of the Code)	DO NOT WRITE IN SPACE BELOW
This return must be filed on or before the 15th day of the 9th month following the close of the annual accounting period. Return must be filed with the District Director of Internal Revenue for the District in which is located the principal place of business or principal office of the organization.		
or other taxable year beginning _____, 19____, and ending _____, 19____		
PLEASE TYPE OR PRINT PLAINLY		
Legal name: <u>J. C. Bldg. Assn.</u>		
Address (number and street): _____		
City or town, postal zone number, county, State: <u>Seattle, Wash. 98101</u>		
Date of adoption of this return: <u>June 12, 1986 (2)</u>		
Date of adoption of this return and subsection of Section 501 (c) under which you have qualified for exemption: _____		

1. State nature of activities: Maintenance of Bldg., housing labor union organization.

2. Have you filed a tax return on Form 990-T for this year? ☐ Yes ☒ No

If "Yes," where filed? _____

Unrelated business gross income reported \$ _____

3. Was a Form 990 filed for the preceding year? ☒ Yes ☐ No

If "Yes," where filed? Seattle

4. What is the legal form of your organization (corporation, trust, unincorporated association, etc.)? Corporation

5. In what year was your organization formed? 1933

In what State or country? Washington

6. Accounting method used ☒ Cash ☐ Accrual ☐ Other

If other method used, explain _____

7. If exempt as described in section 501 (c) (2), state name and address of organization for which you hold title to property _____

8. If you are successor to previously existing or discontinued, give name(s) and address(es) of the predecessor organization(s) _____

9. The books are in care of John Samuel Building Association

Located at 303 John Street, Seattle, Wash.

10. Do you have capital stock issued and outstanding? ☐ Yes ☒ No

If "Yes," complete the following:

CLASS	PREFERRED STOCK	COMMON STOCK	OTHER (BOND)
a. Number of shares outstanding:			
(1) Held by individuals			
(2) Held by organizations			
Total shares outstanding			

b. Member stockholders at end of year _____

(1) Dividend requirements

(a) Preferred stock _____

(b) Common stock _____

(c) Other _____

11. Have any changes not previously reported to the Internal Revenue Service been made in your articles of incorporation or bylaws or other instruments of similar import? ☐ Yes ☒ No

If "Yes," attach a copy of the amendments in duplicate.

12. Did any officer, director, trustee, etc., receive a gift, living quarters, or anything of value not included in compensation reported on lines 13 or 21, page 27? ☐ Yes ☒ No

If "Yes," attach detailed statement in duplicate.

13. If any of your income is derived from members' dues, assessments, etc., show amounts allocated for:

(a) Affiliated organizations \$ _____

(b) Welfare funds _____

(c) Political purposes _____

(d) Other purposes _____

14. Have you had any source of income or engaged in any activities which have not previously been reported to the Internal Revenue Service? ☐ Yes ☒ No

If "Yes," attach detailed statement in duplicate.

15. If you are the type of organization described in section 501 (c) (7), show gross receipts and other income on page 2, lines 8 or 10 attributable to:

a. Members and their guests \$ _____

b. Others _____

16. Did you lease or rent any real property to or from a person or group of persons directly associated with you? ☐ Yes ☒ No

If "Yes," attach detailed statement in duplicate.

17. Did you hold any real property for rental purposes on which there is an indebtedness incurred in acquiring the property or in making improvements thereto? ☐ Yes ☒ No

If "Yes," attach detailed statement in duplicate.

EXHIBIT No. 112F—Continued

Line No.	INCOME, DUES, CONTRIBUTIONS, ETC.			
1.	Dues, assessments, etc., from members, excluding service and other charges properly included on line 10 (see Instruction 5)			
2.	Dues, assessments, etc., from affiliated organizations (see Instruction 5)			
3.	Contributions, gifts, grants, etc., received (see Instruction 5)			
4.	Payments received in Health, Welfare, etc., fund:			
	(a) From employers			
	(b) From employees			
5.	Interest			
6.	Dividends			
7.	Rents			
8.	Gross receipts from business activities (State nature):			135,777 3
	(a)			
	(b)			
	(c)			
9.	Gain (or loss) from sale of assets, excluding inventory items (see Instruction 5)			
10.	Other income (if more than 10 percent of line 11, attach itemized schedule. Also see Instruction 5)			877 10
11.	Total of lines 1 to 10, inclusive			136,654 03
DISPOSITION OF INCOME, DUES, CONTRIBUTIONS, ETC.				
A. Expenses attributable to income lines 7 and 8 (see Instruction 6):				
12.	Cost of goods sold			
13.	Compensation of officers, directors, trustees, etc. (Attach statement showing name, position, salary, and time devoted to position)			
14.	Wages, salaries, and commissions (not included on line 13). Number of employees involved: 19			44,969 02
15.	Interest			
16.	Taxes (such as property, income, social security, unemployment taxes, etc.)			6,862 75
17.	Rent			
18.	Depreciation (and depletion)			
19.	Miscellaneous expenses (State nature):			17,332 92
	(a)			
	(b)			
	(c)			
B. Other expenses:				
20.	Dues, assessments, etc., to affiliated organizations			
21.	Compensation of officers, directors, trustees, etc. (not included on line 13) (Attach statement showing name, position, salary, and time devoted to position)			
22.	Wages, salaries, and commissions (not included on line 14). Number of employees involved:			
23.	Interest (not included on line 15)			
24.	Taxes (not included on line 16)			
25.	Rent (not included on line 17)			
26.	Miscellaneous expenses not elsewhere classified (State nature):			
	(a) Repairs, Services, Supplies	79,287	76	
	(b) Heat, Water, Fuel, Lites, Telephone	12,343	86	
	(c) Insurance	2,972	44	39,604 06
C. Contributions:				
27.	Contributions, gifts, grants, etc., paid (State to whom paid):			
	(a)			
	(b)			
	(c)			
D. Other dispositions:				
28.	Benefit payments to or for members or their dependents:			
	(a) Death, sickness, hospitalization, or disability benefits			2,953 75
	(b) Other benefits			
29.	Dividends and other distributions to members, shareholders, or depositors			
30.	Additions to surplus and reserves (Attach itemized schedule)			24,677 12
31.	Total of lines 12 to 30, inclusive (see Instruction 7)			136,094 03

EXHIBIT No. 112F—Continued

Schedule A BALANCE SHEETS (See Instruction 8)

Page 2

ASSETS	Beginning of Year		End of Year	
	Amount	Total	Amount	Total
1. Cash		742,635 50		\$ 64,422 90
2. U.S. Government Bonds	\$4,000 00		\$4,000 00	
3. Investments		\$4,000 00		\$4,000 00
4. Investments in other securities				
5. Investments in real estate				
6. Investments in other property (See Instructions 9)				
7. Other investments (Itemize)	\$		\$	
8. Total Assets				
9. Liabilities				
10. Bonds Payable (Attach itemized schedule)	\$49,087 44		\$49,087 44	
11. Other Liabilities (Itemize)	\$		\$	
12. Total Liabilities	\$49,087 44		\$49,087 44	
13. Capital in Progress		112,577 20		
14. Total Capital in Progress		112,577 20		
15. Total Liabilities and Capital in Progress		161,664 64		161,664 64
16. Net Worth				
17. Total Net Worth				
18. Total Assets		742,635 50		64,422 90
19. Total Liabilities and Capital in Progress		161,664 64		161,664 64
20. Total Net Worth				
21. Total Assets		742,635 50		64,422 90
22. Total Liabilities and Capital in Progress		161,664 64		161,664 64
23. Total Net Worth				

SIGNATURE AND VERIFICATION (See Instruction 11)

I, the undersigned, certify that this return including any accompanying schedule and statements has been examined by me and the contents are true and correct and constitute a true and complete return.

May 14, 1956

F. W. Brewster

President, 1956

CORPORATE SEAL

I, the undersigned, certify that I have prepared this return for the person named herein and that this return (including any accompanying schedule and statements) is to the best of my knowledge and belief a true, correct and complete return based on all the facts and figures in the matters required to be reported in the return of which I have any knowledge.



Individual or firm signature

(Address)

EXHIBIT No. 113

LOCAL 174 - TEAMSTERSLOANS RECEIVABLE AT
DECEMBER 31, 1955

<u>Name</u>	<u>Amount per</u> <u>Investigation</u>	<u>Amount per</u> <u>Verscheuren</u>
A. T. Greer.....	\$ 1,000.00	\$ -
Joint Council #23.....	150.00	-
Joint Council Bldg. Assn.....	26,000.00	26,000.00
Joint Council #26 Legislative Fund.....	3,000.00	-
Joint Council Convention Fund	16,000.00	-
Brewery Workers' Local 472	3,000.00	-
Line Drivers' Local 741.....	5,000.00	-
James Martin.....	2,200.00	2,250.00
Laurita Thayer.....	50.00	-
Fred Sandberg.....	175.00	-
Wm. T. Rheafer.....	2,228.04	2,431.55
Local 174 - Office Division..	4,700.00	-
	<u>\$ 63,503.04</u>	<u>\$ 30,681.55</u>

EXHIBIT No. 114

JOINT COUNCIL NO. 28LOANS RECEIVABLE

Name	Balance Dec. 31, 1952	Balance Dec. 31, 1953	Balance Dec. 31, 1954	Balance Dec. 31, 1955
F. W. Frewster.....	\$ 1,100.00	\$ 1,100.00	\$ 1,100.00	\$ 1,100.00
Western Recording.....	1,000.00	1,000.00	1,000.00	1,000.00
Clyde B. Reed.....	418.00	418.00	418.00	418.00
Newspaper Drivers' Local #763.....	350.00	350.00	350.00	-
Western Warehouse Div.	2,500.00	2,500.00	2,500.00	2,500.00
Teamsters Local 551....	1,000.00	1,000.00	1,000.00	1,000.00
A. H. Evans.....	5,400.00	3,900.00	2,550.00	1,950.00
Teamsters' Welfare Adm. Fund	10,000.00	10,000.00	10,000.00	10,000.00
TOTAL	<u>\$ 21,768.00</u>	<u>\$ 20,268.00</u>	<u>\$ 18,918.00</u>	<u>\$ 17,968.00</u>
Amount Per Financial Statement Issued	\$ 21,768.00	\$ 11,268.00	\$ 9,568.00	\$ 17,933.99

EXHIBIT No. 115

EASTERN CONFERENCE OF TEAMSTERSLoans Receivable

Name	Balance Jan. 1, 1954	Balance Dec. 31, 1954	Balance Dec. 31, 1955	Balance Dec. 31, 1956
F. J. Brewster	\$ --	\$ 38,735.00	\$ 10,985.00	\$ 77,000.00
John J. Sweeney	--	30,175.00	2,075.00	28,000.00
Joint Council #7 (San Francisco)	--	--	25,000.00	25,000.00
Ann Kotin	--	--	1,000.00	--
Mrs. K. Campbell	--	--	9,000.00	--
Joint Council #42-- Special Fund (Los Angeles)	--	--	150,000.00	--
Joint Council #28-- Bldg. Association (Seattle)	94,500.00	94,500.00	94,500.00	100,000.00
Joint Council #28 (Seattle)	15,000.00	15,000.00	15,000.00	15,000.00
Local 87 (Bakersfield)	22,000.00	18,100.00	14,500.00	10,000.00
Joint Council #37 (Portland)	10,000.00	--	--	5,000.00
R. J. Shaw	2,473.97	2,267.78	2,151.21	2,151.21
Retirement Trust Fund #2	88,565.73	88,565.73	--	--
M. E. Gallanar	--	--	--	1,000.00
Martin Vollough	500.00	500.00	--	--
P. Pearson	--	--	--	20,000.00
Local #566 (Seattle)	--	--	5,000.00	5,000.00
Local #281 (Portland)	--	--	2,000.00	2,000.00
Local #190 (Billings, Mont.)	--	--	--	2,000.00
Local #381 (San Luis Obispo)	--	--	21,000.00	12,500.00
Local #94 (Visalia)	--	--	5,000.00	--
Local #206 (Portland)	--	--	5,000.00	5,000.00
Edward Woodward	--	--	--	1,200.00
B. I. Bowen	--	3,925.00	2,387.15	* 1,712.15
Peter Diandre	--	3,925.00	2,825.00	* 1,725.00
Nugent LaPoma	--	3,925.00	2,875.51	--
Mrs. Marjorie Lindsey	--	3,925.00	--	--
George C. Newell	--	7,850.00	--	--

EXHIBIT No. 115—Continued

<u>Name</u>	<u>Balance</u> <u>Jan. 1, 1954</u>	<u>Balance</u> <u>Dec. 31, 1954</u>	<u>Balance</u> <u>Dec. 31, 1955</u>	<u>Balance</u> <u>Dec. 31, 1956</u>
J. M. Dillon	--	3,925.00	2,825.00	*1,725.00
Joseph Tony	--	3,925.00	--	--
Kerna Tony	--	3,925.00	--	--
C.B. Barrett	--	7,850.00	--	--
Fred Galeno	--	3,925.00	--	--
	<u>\$232,269.70</u>	<u>\$334,743.52</u>	<u>\$453,251.95</u>	<u>\$336,070.44</u>

*Balance as of December 1, 1956.

EXHIBIT No. 116A

WESTERN CONFERENCE OF TEAMSTERSRETIREMENT TRUST FUND NO. 1

<u>NAME</u>	<u>Balance Dec. 31, 1954</u>	<u>Balance Dec. 31, 1955</u>	<u>Balance Dec. 31, 1956</u>
Joint Council #42, Investment & Construction Association, Inc.....	\$ 200,000	\$ -	\$ -
F. W. Brewster.....	5,750	-	10,000
Local 631, Clark and Lincoln Counties, Nevada.....	-	20,000	15,700
Jack Esterbrook.....	-	8,000	6,700
Western Conference of Teamsters	-	10,000	245,000
Local 982, Palmdale and vicinity, California.....	-	-	24,000
Joint Council #7, San Francisco, California.....	-	-	90,000
Fred Verschueren, Jr. (\$14,000).	-	-	13,340
Local 890, Monterey County, California.....	-	-	7,500
George Purvis (\$3,500).....	-	-	3,350
TOTAL	<u>\$ 205,750</u>	<u>\$ 128,000</u>	<u>\$ 415,590</u>

EXHIBIT No. 116B

WESTERN CONFERENCE OF TEAMSTERSRETIREMENT TRUST FUND NO. 2

<u>NAME</u>	Balance Dec. 31, 1955	Balance Dec. 31, 1956
Joint Council #37, Portland, Oregon 2½	\$ 45,000.00	\$ 135,000.00
Western Conference of Teamsters	-	25,000.00
TOTAL	<u>\$ 45,000.00</u>	<u>\$ 160,000.00</u>

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